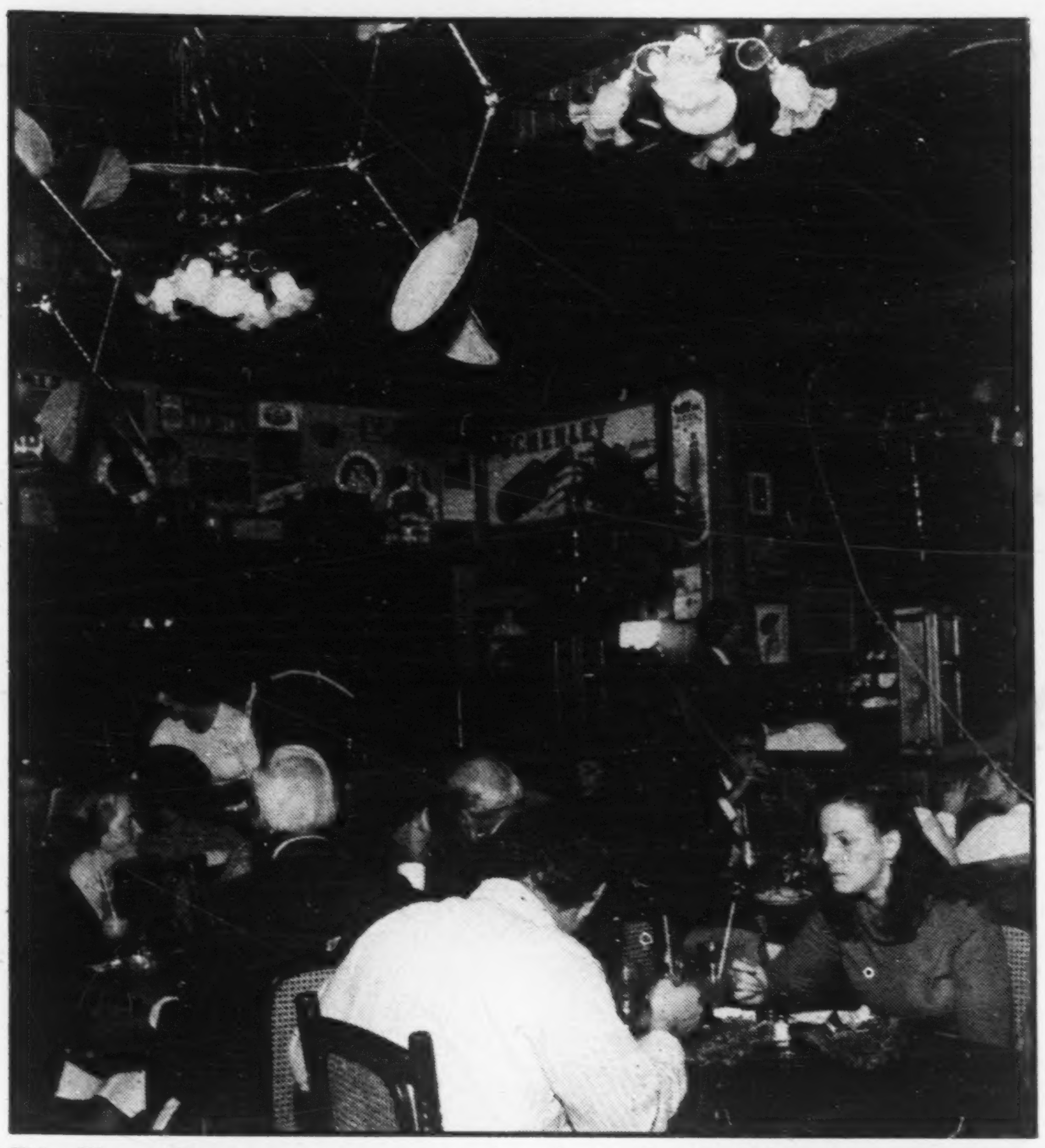


Big Four Restaurants expansion into the California market is being led by the opening of its sixth Lunt Avenue Marble Club.

Big Four mapping strategy for move into California

By Rick Martin

TEMPE, Ariz.—Big Four Restaurants is expanding its eight-unit, $16-million Arizona operation out of state next month with the opening of its sixth Lunt Avenue Marble Club unit, in Pleasanton, Calif.

The company, with a conceptual emphasis on exhibition cooking areas and in-house bakery displays, is eying the California market for deployment of its other concepts, including the more upscale Oscar Taylor's restaurant. The nine-year-old company also operates two Willy & Guillermo's Mexican dinnerhouses.

Big Four is also looking to Denver, Albuquerque and Florida as sites for future Oscar Taylor's. The tablecloth operation, featuring a prime steak and rib menu and a full-scale French bakery, will gross more than $4 million in its Phoenix outlet this year, according to Big Four president Lee Cohn.

Two new concepts are being geared up for Phoenix debuts next year. Pops, an Italian restaurant with exhibition kitchen and pasta-making area, will take over an existing facility in a shopping center early in 1983. Steamers, featuring mesquite charcoal-broiled seafood and pasta, is scheduled for opening later in the year.

"Our plans are to develop two or three more concepts in Phoenix," Cohn said, "so that we'll have the flexibility to adapt whichever is best suited to any new restaurant properties we acquire." Seven of the eight Big Four restaurants now operating have gone into the sites of operations that have gone broke and been picked up for conversion, Cohn said. The company has its own construction division to implement such conversions. "We're very comfortable with that approach to expansion," Cohn indicated. "We end up with an investment about half what would be required to build from the ground up."

Cohn and partners Bill Marcus, Rich Rabin and Barry Goldstin (the "Big Four"), started in Arizona in 1973 with their first Lunt Avenue Marble Club. Cohn, who learned the restaurant business through his family's CFS Continental food service company in Los Angeles, chose the Phoenix area as a home base for his own operation after attending school there. "It's a tough restaurant market now," Cohn said, "but when we started nobody was doing anything here. It makes sense to start our new concepts in Phoe-

(Continued on page 114)

Shrimp tariff bill evokes restaurateurs' anger

By Ken Rankin

WASHINGTON—New protectionist legislation pending in Congress would drive the cost of shrimp up so sharply that these items could be priced off restaurant menus altogether, food-service industry leaders warned.

The bill, which is intended to protect United States shrimp harvesters, would impose a stiff five-year quota on shrimp imports to this country, and slap a whopping 30% "value added tax" on the foreign supplies that are allowed in.

Such double-barrelled import restrictions would hit food-service operators particularly hard since restaurants sell an estimated 75% of all shrimp consumed in the United States.

The bill has drawn particularly strong opposition from the Louisiana Restaurant Association, which warned Congress as early as last fall that the proposed quotas and taxes would trigger substantial price increases to restaurateurs and consumers.

With the measure now positioned for a showdown in the House Merchant Marine and Fisheries Committee, officials from the National Restaurant Association have entered the fracas in an attempt to sideline the bill.

The new import restraints sponsored by Committee Chairman John Breaux (D-La.) "can only add to the cost of both the domestic and imported product and work to the detriment of the restaurant industry—which includes shrimp on nearly 60% of its menus," NRA executive vice president Robert Neville maintained.

In a letter sent to every member of Breaux' committee, Neville argued that import quotas and taxes would backfire on domestic producers.

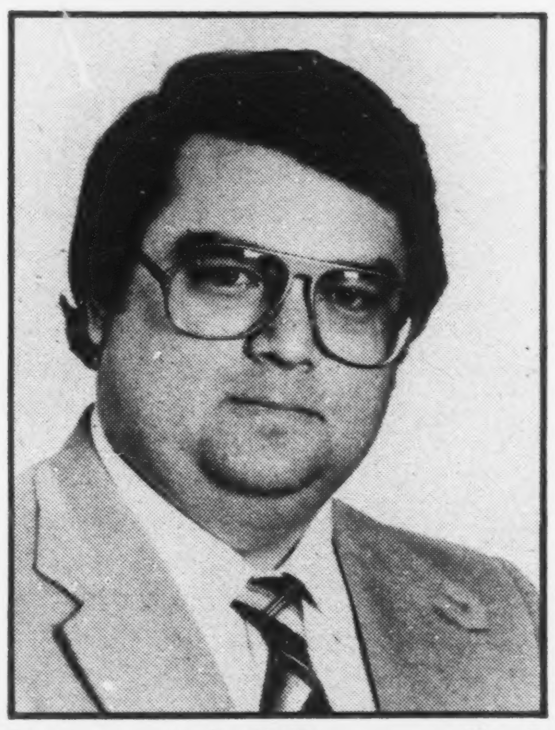
"Since our industry is the primary retail outlet for shrimp [on a nationwide basis we are estimated to sell 75% of the shrimp consumed in the United States], it follows that [the proposed import restrictions] would also work to the detriment of shrimp harvesters as well," he said.

Since tariffs and quotas would "only camouflage the basic economic problems of the harvesters and postpone the adjustments needed to make the industry truly competitive," NRA does "not believe their imposition is the correct approach," Neville told Congress.

"In fact," he said, "the resulting cost increase will doubtless cause shrimp to become too expensive for our regular customers."

Citing the results of a recent industry survey, the NRA exec vp noted that "because of price increases, shrimp was the No. 1 item dropped from menus in 1980. It is clearly in our interest and the interest of the shrimp harvesters not to have that happen again," Neville maintained.

Bonanza unveils plan to develop new Italian fine-dining concept



Bonanza's Jeff Rogers talked about the company's plans to roll out an Italian find-dining concept, but he's keeping mum on a second new concept that's on the chain's drawing boards.

DALLAS—Bonanza, the 630-unit budget steakhouse franchisor has two more projects in development that could conceivably be spun off the same way the budding Peoples family restaurant chain was last year.

Jeff Rogers, senior vice president for franchise services, said Bonanza plans by December to open an Italian fine-dining concept here which will place a heavier emphasis on liquor sales and less emphasis on family clientele than the 27-unit Peoples concept.

The name and details of the new operation are under wraps while preopening plans are hammered out, Rogers said.

In addition, Bonanza, which franchises about 700 units, has a second concept simmering on the back burner, Rogers said. He declined to describe the second concept.

Bonanza's Italian concept surfaced last month when Peoples Restaurants said that Charles Wyly Jr., chairman, and his brother, Sam Wyly, a director, resigned. They cited potential conflicts of interests as Bonanza developed a concept that would be competing with Peoples.

The two brothers and certain Wyly family trusts are the largest stockholders in Peoples, with about 10.6% of the common, according to Peoples.

They are directors of Bonanza International, which spun off Peoples as a separate publicly held company in June 1981.

Peoples said the board elected Donald G. Thomson, chief

(Continued on page 114)

JB's jumps into dinnerhouse battlefield

By Don Jeffrey

SALT LAKE CITY—JB's, operator of 66 Big Boy restaurants in the West, is focusing development efforts on dinnerhouses and specialty restaurants.

The company opened its second dinnerhouse, The Old City Jail of Tucson, in Arizona this May. (The first, The Old Salt City Jail here, was bought by JB's 2½ years ago.)

This month JB's planned to open its first specialty restaurant, Apple Butter Farms, in Salt Lake City.

"Our philosophy is that we don't want to have all our eggs in one basket," said David J. Asay, an assistant vice president and marketing chief.

Asay said JB's is seeking sites for new Apple Butter Farms and City Jail-type restaurants, but he indicated the company was not rushing to expand.

"We want to evaluate over a period of time," he said. "We want to make sure the concepts are developed as well as they can be. Then we'll carefully look at sites." He said the company probably would not open more than one new restaurant a year.

The two Old City Jail dinnerhouses are similar in decor (they recreate old Western towns), menu offerings and pricing.

The Salt Lake City restaurant opened four years ago, got into financial difficulty, and was bought 2½ years ago by JB's. Asay said revenues were $1.2 million last year.

"The reason we purchased it was that we were in the mode of trying to broaden our base. This just seemed to fit all the criteria we had."

Seating 180 people in a series of small rooms called "cells" that are decorated with antiques and old West memorabilia, the restaurants feature prime rib dishes such as the 14-oz. Sheriff's cut for $12.95.

(Continued on page 114)

COMMODITIES

Pork prices tail off after hitting all-time high

NRN Special Report

After hitting an all-time high price in June, pork loin prices fell off to levels more accurately representing supplies of pork. The earlier high was believed to be an emotional reaction to a U.S.D.A. survey of farmers which showed 13% fewer pigs being raised than last year at the same time. With the emotion abating, the price of pork, while still high, has been settling.

Another rise could come, however, on the information that there has been a sharp drop in the number of pork bellies (the raw material from which bacon is produced) in cold storage at the middle of July. Traditionally the amount of bellies in storage falls during the summer, but the market is so unsettled this may herald another panic rise.

(Continued on page 114)

PRICE MOVEMENT AT A GLANCE

	July 23, 1981	June 23, 1982	July 23, 1982
Beans, Pinto, dry, Colorado (cwt.)	$43.50-44.00	$15.00	$14.50-14.75
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 1.045	$ 1.095	$ 1.02
Broilers, Grade A, ice pack, NYC (lb.)	$ 0.5390	$ 0.4838	$ 0.4558
Coffee, green beans, Brazilian, NYC (lb.)	$ 1.30	$ 1.42	$ 1.40
Eggs, large white, Grade A, Chicago (doz.)	$ 0.6675	$ 0.645-0.65	$ 0.575-0.58
Lettuce, iceberg, California (24s)	$ 5.00-6.00	$ 4.00-4.50	$ 5.50-7.00
Peas, frozen, Grade A, California (lb.)	$ 0.47	$ 0.51	$ 0.51
Pork Loins, Choice, 14-17 lb., Midwest (lb.)	$ 1.00	$ 1.27	$ 1.18
Potatoes, round white, Eastern (50 lb.)	$ 4.00	$ 7.00	$ 2.00-2.25
Tomato Ketchup, Fancy, California (6/10)	$14.00	$17.30	$16.30

Source: *NRN Research*

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price tends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

FINANCIAL NEWS

Saga earnings soar 45% in fiscal 1982

By Rick Martin

MENLO PARK, Calif.—Saga Corp. reported a net income of $16.8 million for the fiscal year ended June 26, up 45% from last year's $11.6 million. Revenues for fiscal 1982 were up 10% to $901 million from $819 million last year.

In the fourth quarter, profits were up 33% to $2.9 million on revenues of $227.1 million, compared to $2.2 million on sales of $207.8 million in the closing quarter last year.

The primary factors cited by the company for the year's profit performance were continuing moderate food-cost increases, closer management controls and an improved cash position resulting from tight asset management.

Overhead, as a percentage of revenues, was up from last year due to increased discretionary investment in growth problems, including a major corporate reorganization. Saga chairman and ceo Charles A. Lynch said that "strategic positioning" during the year had "established a new foundation for our business thrust for the next five years."

Profit Margin

The company's Straw Hat Pizza division ended fiscal 1982 with record sales and operating profits, according to company sources. Lower margins in Saga's two dinnerhouse divisions were attributed to "soft customer counts" and "a conscious strategy to defer menu price increases." Saga operates the Stuart Anderson's Black Angus and Velvet Turtle restaurant chains, in addition to its contract feeding operations.

Improvement in the contract divisions' profit performance was due, the company said, to a slower rate of increase in food costs than had been anticipated and a better overall mix in the types of accounts serviced. New accounts opened in the last few years have been larger and more profitable than those which have been discontinued.

Among the strategies implemented by Lynch to bolster Saga's continued growth was the establishment of a "special projects" office, headed by former chief marketing and administrative officer John G. Hollingsworth. Although details of the special projects have been kept under wraps, sources at the company have indicated that Saga is looking at expanding its scope of interests beyond the contract feeding and restaurant divisions which are currently the main thrust of its activities.

Holiday Inns' 2nd qtr. net tumbles 21.9%

MEMPHIS—Holiday Inns has reported a 21.9% decline in net income to $30.4 million on a 5.8% rise in revenues to $364 million for the second quarter ended July 2.

Without the results from its discontinued operation, Delta Steamship Lines, Holiday Inns income from continuing operations dropped 4.5% to $27.8 million in the quarter. Holiday Inns disclosed earlier this year it was selling the steamship line.

For the first six months of the year, Holiday Inns reported a 17.4% drop in net income to $55 million on a 9.4% rise in revenues to $696.6 million. Income from continuing operations increased 12.7% to $48.5 million in the period.

Perkins Inc., the company's family restaurant subsidiary, maintained profit levels in the quarter, according to Rose. Holiday Inns does not break out results of its subsidiaries. Other operating income for the quarter was down largely due to certain nonrecurring transactions.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended July 30							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change					Indicated Dvd. Rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
					Change		52-Week																				
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.	5-Year Annual Growth Rate	Profit Margin	Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	5.50	3.75	5.00	1.25	33.33	9.13	3.50	.79	-2.11	6.81	-35.09	.47	-.48 S	-109.0	-5.0	4.3	NE	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	19.50	16.63	16.88	-2.38	-12.34	20.88	10.00	-.27	-.95	1.48	-24.96	1.66	.41 N	26.2	34.0	6.3	8.6	.22	1.3	08-10-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	29.13	27.50	28.00	.50	1.82	32.75	23.50	.23	.14	2.36	12.12	4.00	-1.13 S	-22.7	-1.0	1.5	7.3	2.00	7.1	05-25-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	5.88	5.63	5.63	-.13	-2.17	7.25	4.88	.29	-.17	-3.08	-8.16	.66	.13 S	22.0	-8.0	2.6	7.8	.12	2.1	06-08-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	5.88	5.13	5.13	-.25	-4.65	6.50	2.88	-.01	.00	-2.02	34.26	.62	.11 S	18.9	32.0	2.4	7.4	.00	.0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	24.50	24.00	24.00	-.25	-1.03	27.00	17.75	.43	.64	-7.27	19.05	1.60	.20 F	14.2	25.0	7.9	15.0	.40	1.7	08-02-82	173.4	13.7	1.7	.0	8	0482
Bonanza Intl Inc	BNZA	2.25	2.00	2.00	-.38	-15.79	3.50	1.06	1.18	-.76	3.80	22.69	-3.33	-3.32 Q	NC	-67.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	13.00	10.50	11.50	-1.38	-10.68	17.50	9.88	-.67	-1.46	3.49	-15.38	.59	.40 S	129.0	24.0	4.3	16.2	.10	.9	06-29-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	9.00	8.25	8.75	.50	6.06	9.16	7.16	.42	.18	2.71	42.86	1.11	.32 Q	37.2	7.0	3.2	7.4	.20	2.3	04-29-82	37.0	1.2	.6	1.5	2	0282
Carrols Develop	CRL	6.13	5.50	5.50	.00	.00	6.38	3.97	.39	-.61	2.62	-10.27	.86	.72 N	163.6	35.0	2.4	4.7	.09	1.6	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	21.00	19.88	19.88	-1.00	-4.79	22.25	15.25	.17	.73	1.00	-32.31	2.03	.23 S	12.4	14.0	5.0	9.6	.60	3.0	03-22-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	18.75	17.13	17.25	-.63	-3.50	18.75	10.09	.41	-.87	-.49	1.75	.55	.22 F	66.6	34.0	11.1	31.4	.00	.0	06-28-82	14.9	2.1	3.1	1.1	1	0481
Ch Full O Nut	CHF	17.50	14.63	16.75	1.88	12.61	17.50	9.00	1.04	1.98	6.37	26.28	.66	-.44 N	-51.1	20.0	2.7	39.9	.40	2.4	07-01-82	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	27.50	26.13	26.63	-.25	-.93	33.50	25.00	.15	.39	-3.14	-15.70	3.52	.15 S	4.6	17.0	10.8	7.8	1.00	3.8	07-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	2.88	2.75	2.88	.13	4.55	3.63	2.50	.09	.33	2.29	-19.74	-.06	1.37 F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.2	0	1281
Collins Foods	CF	14.38	12.13	12.50	-1.38	-9.91	14.38	7.75	.30	-1.44	-1.36	15.33	1.71	.52 F	43.6	13.0	3.2	7.3	.20	1.6	07-19-82	265.2	7.5	1.4	8.0	10	0481
Consul Corp	CNSL	7.50	6.88	6.88	.00	.00	9.00	5.25	.66	-1.12	3.66	-52.26	-.08	.12 S	NC	NE	-1.5	57.3	.00	.0	00-00-00	6.8	-.1	.8	.6	1	0581
Cracker Barrel	CBRL	10.25	9.50	9.50	-.25	-2.56	11.00	7.25	.07	-1.02	3.32	-10.65	1.00	1.01 S	NC	21.0	3.2	9.4	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	28.50	25.88	26.13	-1.88	-6.70	28.50	14.75	.29	.12	-.26	-22.30	1.97	.77 N	49.6	6.0	3.2	11.3	.64	2.4	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	17.50	17.13	17.25	.38	2.22	17.50	11.13	.48	.67	2.40	9.86	1.82	.26 S	15.2	19.0	8.3	8.8	.36	2.1	08-09-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	11.63	9.25	9.25	-1.75	-15.91	11.63	5.78	.20	-2.08	-.84	-67.56	1.39	.73 N	63.4	14.0	3.0	4.9	.38	4.1	06-29-82	97.0	2.9	1.2	7.2	13	0581
Hambrg Hamlet	HAMB	6.50	6.50	6.50	.25	4.00	8.25	5.00	-.73	.73	-11.96	.00	1.35	1.08 F	400.0	-13.0	3.2	4.8	.00	.0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	1.50	1.50	1.50	.13	9.09	5.25	1.38	-.34	.63	-8.68	.00	-2.22	-3.88 S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	33.00	31.25	32.13	-.25	-.77	45.25	29.75	-.01	.40	-1.30	32.10	4.22	-.37 S	-9.0	22.0	20.9	8.6	1.80	5.6	08-30-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	30.13	26.50	26.75	-1.38	-4.89	30.38	21.88	.20	-2.44	3.23	23.30	3.66	1.12 Q	42.4	26.0	7.8	7.1	.80	3.0	06-10-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	44.00	42.00	44.00	5.00	12.82	44.50	33.00	.35	.74	-.44	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	19.00	16.75	17.63	-1.25	-6.62	19.25	7.28	.58	-.56	1.88	-17.33	1.05	.13 Q	14.6	30.0	2.7	17.3	.00	.0	01-11-82	166.1	4.5	1.7	12.6	7	1281
Hungry Tiger	HTIG	10.25	8.75	10.25	1.75	20.59	10.25	6.00	.87	2.77	4.96	-20.62	.92	.18 N	20.4	41.0	3.2	9.7	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.81	1.56	1.69	-.06	-3.57	1.88	1.06	-.01	1.72	-5.53	36.36	.24	.00 F	.0	2.0	2.0	7.0	.14	8.3	02-24-82	8462.9	171.0	1.1	.7	2	1081
Intl Dairy Queen	INDQ	13.50	13.00	13.50	.75	5.88	13.50	9.25	.62	.77	2.37	38.06	1.72	.34 S	22.5	38.0	6.1	7.3	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.75	3.63	3.75	.13	3.45	3.75	1.75	.80	1.55	2.57	14.89	-.65	1.06 N	NE	-36.0	-3.1	19.7	.00	.0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	7.63	7.00	7.25	.25	3.57	7.63	2.88	.53	-.42	.01	-45.09	.63	.29 N	53.7	1.0	3.0	8.7	.16	2.2	05-10-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	21.25	18.25	18.25	-2.25	-10.98	26.25	15.63	-.17	-1.09	1.94	-10.16	1.70	.27 N	17.1	22.0	5.6	9.9	.12	.7	05-10-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	3.88	3.63	3.63	-.25	-6.45	4.50	3.50	-.39	-.83	-4.31	67.65	-.24	-.46 S	-575.0	-33.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	19.00	18.38	18.50	-.50	-2.63	19.25	10.75	-.05	.68	-5.66	-48.88	.89	.31 F	53.4	126.0	8.1	20.8	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Karcher Carl	CARL	14.88	13.88	13.88	-.50	-3.48	14.88	8.88	.38	-.97	.82	-6.00	1.51	1.68 Q	NC	17.0	3.4	8.3	.00	.0	00-00-00	200.6	6.9	1.9	6.4	8	0182
Lubys Cafe	LUB	29.88	27.25	27.38	-1.88	-6.41	32.00	23.50	.18	-.66	-2.44	-12.65	1.45	.25 N	18.1	23.0	9.1	16.8	.60	2.2	09-03-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	7.25	6.88	7.13	.50	7.55	7.25	5.00	.72	.13	4.42	-49.56	1.15	.04 N	3.5	7.0	5.8	6.1	.00	.0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	39.00	36.00	36.63	.00	.00	40.25	31.63	.44	-.39	-.28	-22.00	3.20	.37 S	12.6	30.0	4.3	11.1	.30	.8	06-21-82	2000.3	86.1	.9	23.2	16	1281
McDonalds Cp	MCD	77.00	72.75	73.25	-3.75	-4.87	77.25	56.75	.27	.14	-1.13	9.08	6.54	1.01 Q	17.6	18.0	10.7	10.9	1.20	1.6	07-20-82	2477.2	264.8	.5	23.0	34	1281
Morrison Inc	MORR	11.88	11.63	11.75	-.38	-3.09	12.25	8.13	.38	.72	.01	-1.57	1.16	.21 F	22.1	8.0	4.1	10.1	.36	3.1	07-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	2.25	2.00	2.00	.00	.00	3.75	2.00	-.21	-2.25	-1.27	1.16	.22	-.25 S	-500.0	-22.0	.5	NE	.00	.0	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.00	.75	.81	-.19	-18.75	1.88	.63	-1.03	.78	4.16	63.06	-.87	-.42 N	NE	NE	-7.9	NE	.00	.0	00-00-00	21.5	-1.7	.4	.2	2	0381
Oakbrook Cons	OKCO	9.25	9.25	9.25	.00	.00	11.50	9.00	-.02	.78	-19.35	.00	1.74	-.08 S	-5.5	9.0	1.3	6.9	.32	3.5	03-11-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	5.13	4.75	4.75	.00	.00	11.38	4.63	-1.47	-.26	2.06	35.45	1.01	-.81 N	-84.3	24.0	5.4	31.7	.20	4.2	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	16.13	13.63	13.63	-2.25	-14.17	18.13	13.50	-.07	-4.09	6.99	34.66	1.30	.14 N	10.7	15.0	6.1	9.5	.56	4.1	06-03-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	5.38	4.88	4.88	-.50	-9.30	8.88	4.63	.23	-1.25	-4.96	-43.33	.50	-.02 Q	-3.5	-6.0	1.0	8.9	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	27.00	23.50	24.00	-4.00	-14.29	32.50	18.00	-.63	-.69	2.36	-12.39	.58	.77 Q	540.0	42.0	7.2	29.3	.00	.0	00-00-00	36.2	2.6	3.2	.8	8	1281
Ponderosa Sys	PON	19.38	17.13	17.63	-1.50	-7.84	19.38	11.75	.33	-.84	-2.88	-7.73	2.01	1.13 Q	137.8	-10.0	2.4	9.0	.40	2.3	06-11-82	353.9	8.5	1.0	20.0	17	0282
Ramada Inns	RAM	5.13	4.75	5.00	.13	2.56	9.00	4.25	.32	.50	-.97	-28.48	.05	-.75 Q	-141.5	-21.0	.4	NE	.12	2.4	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	4.25	3.88	3.88	-.13	-3.13	6.63	3.75	.21	-2.02	-3.25	11.11	.97	-.33 S	-32.3	46.0	2.4	5.6	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	28.38	27.50	27.50	.00	.00	29.25	16.00	.30	.26	-1.85	-30.40	2.36	1.07 N	49.7	18.0	1.4	8.5	.56	2.0	05-17-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	7.88	6.75	6.75	-1.00	-12.90	14.75	6.75	-.86	-1.84	3.26	.52	.68	-.08 S	-11.5	51.0	4.5	11.1	.00	.0	06-02-81	49.0	2.2	1.8	2.4	5	1281
Servico Inc	SRVI	8.75	8.75	8.75	.00	.00	9.53	6.38	.91	.75	1.84	-.48	1.54	-.46 Q	-30.6	78.0	3.5	8.4	.00	.0	07-09-82	126.4	4.4	1.1	51.0	5	1281
Shoneys Inc	SHON	18.50	18.00	18.38	.50	2.80	18.50	11.91	.15	.75	2.05	12.22	1.03	.25 S	27.1	21.0	5.5	15.7	.16	.9	03-29-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	10.50	10.50	10.50	.00	.00	13.50	8.50	.02	.78	-5.11	-46.38	.94	.37 Q	217.6	32.0	1.4	19.4	.20	1.9	06-25-82	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.81	2.75	2.75	.00	.00	3.13	2.38	.12	.34	-3.54	-31.97	.06	-.23 S	-79.3	-34.0	.5	45.8	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	6.25	6.13	6.25	.13	2.04	6.63	4.25	-.05	.66	-6.44	-87.50	-.38	-.16 F	NE	-26.0	-1.5	NE	.00	.0	11-01-78	65.6	-.6	1.3	7.8	10	0381
Victoria Stations	VSTA	7.75	6.75	6.75	-.75	-10.00	11.00	6.25	-.46	-1.66	-4.52	-43.27	.35	2.20 F	NE	-30.0	1.0	19.3	.00	.0	09-19-79	123.4	1.2	1.0	7.7	10	0382
Wendys Intl	WEN	18.25	16.25	16.38	-1.38	-7.75	18.75	12.25	.36	-1.17	-.47	19.45	1.52	.14 Q	10.0	18.0	7.6	10.7	.28	1.7	05-11-82	486.6	36.9	.6	3.8	8	1281
Webb Del E	WBB	7.63	6.75	7.00	.25	3.70	11.50	4.88	.65	-.74	-.45	27.47	.56	.80 Q	NE	-24.0	1.3	11.3	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281
Winners Cp	WNER	11.50	9.63	9.63	-1.13	-10.47	11.50	6.38	.28	-2.96	6.26	15.01	.67	.61 S	321.0	5.0	2.1	12.0	.00	.0	00-00-00	72.7	1.5	.3	13.4	7	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Saga Corp.	12 mos.	6/26			$901.000	10	$ 16.800	45
	3 mos.	6/26			227.000	9	2.900	33
Winners Corp.	6 mos.	6/30	$40.600	18			0.841	72
	3 mos.	6/30	21.800	18			0.581	26
McDonald's Corp.	6 mos.	6/30	3.75 billion	9			145.200	14
	3 mos.	6/30	2.00 billion	11			86.600	14
Chart House Inc.	6 mos.	6/30			183.114	7	7.387	6
	3 mos.	6/30			98.300	9	5.000	7
Victoria Station Inc.	12 mos.	3/28			123.867	9	1.210	18
Sea Galley Stores	6 mos.	6/30	33.200	55			1.150	6
	3 mos.	6/30	13.600	26			0.591	(5)
JB's Restaurants Inc.	40 wks.	7/4			33.155	17	1.020	37
	16 wks.	7/4			14.194	19	0.532	35

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Sea Galley net slips 5% in quarter

Company disappointed with 2nd qtr. results

MOUNTLAKE TERRACE, Wash.—Sea Galley Stores, which owns and operates 48 seafood restaurants in 10 states, posted a net income of $591,000 for the second quarter ended June 30, a 5% decrease from the prior year's comparable period.

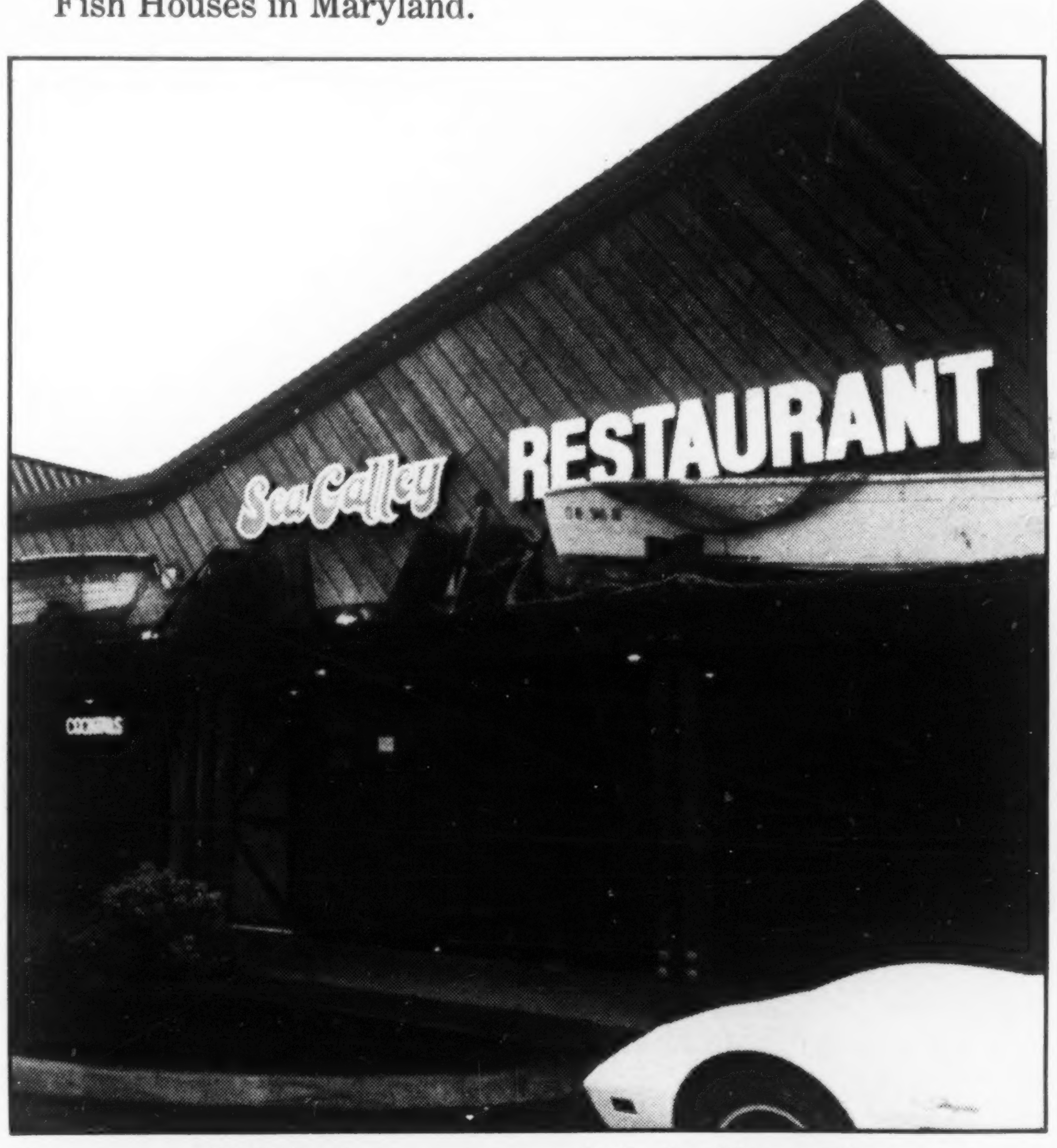
Sales rose 26%, to $13.6 million.

For the six months ended June 30, net income increased 6% to $1.15 million on sales that rose 55% to $33.2 million.

Maintaining the company was "not satisfied" with the results, Steven Dowen, president and board chairman, attributed them "largely" to the economic climate in the Pacific Northwest, where more than half of the company's units are located.

One response has been to test-market lower-priced menu items, he added.

The company operates 43 full-service Sea Galley restaurants in seven western states, Iowa, Maryland and Virginia, and five Family Fish Houses in Maryland.



Company officials have expressed their disappointment over Sea Galley Restaurants' recent financial performance.

Winners shows 26% quarterly advance

NASHVILLE—Winners Corp., formerly Volunteer Capital Corp., reported profits increased 26% to $581,000 and sales increased 18% to $21.8 million for the second quarter ended June 30 compared to the prior year period.

For the six months ended June 30, Winners reported profits increased 72% to $841,000 and sales increased 18% to $40.6 million, compared to the same period in 1981.

Winners Corp. operates or franchises 52 Mrs. Winner's Chicken & Biscuits fast-food restaurants, 51 franchised Wendy's Old Fashioned Hamburger restaurants on the West Coast and 46 Wendy's in the East.

Weighted average unit volumes for the second quarter rose 23% to $143,000 for Mrs. Winner's, compared to the 1981 second quarter. Eastern Wendy's rose 1% to $171,000 and Western Wendy's declined 6% to $132,000.

During the second quarter the company opened two of its new upscale Mrs. Winner's stores and signed three franchise agreements for the chain. The new units are running annualized sales of $900,000, president M. V. "Buck" Hussung Jr. said.

Iceland acquires defunct Dolphin

CAMP HILL, Pa.—Iceland Seafood Corp. has acquired the equipment, formulations, processes and brand name of Cleveland-based Dolphin Seafoods, which went out of business in June. Iceland Seafood, a major supplier of fillets under the Samband label, will now also process Dolphin's line of frozen seafood products at its expanded facilities in this Harrisburg suburb.

Gudjon Olafsson, president of Iceland Seafood, will head the entire operation of the Dolphin products as well as the Samband products.

Nabisco selling Julius Wile Sons

NEW YORK—Nabisco Brands Inc. has agreed in principle to sell Julius Wile Sons & Company, its wine and spirits operation, to Whitbread & Company P.L.C., a London-based alcoholic beverage concern, for about $155 million.

The move is apparently part of a long-range plan by Nabisco to concentrate on its packaged foods business, where it is a market leader in cookies.

Since the merger of Nabisco and Standard Brands in July 1981, the company has sold off several subsidiary operations, including coffee manufacturer Chase & Sanborn, and it has leased its two corn wet-milling plants. It is also reportedly trying to sell its pharmaceutical arm.

Nabisco does not disclose its subsidiaries' revenues, but industry sources estimated Julius Wile's sales at $250 million last year.

McD's profits climb 14% in 2nd quarter

OAK BROOK, Ill.—McDonald's Corp. has reported a 14% rise in net income to $86.6 million on a 12% increase in revenues to $724.8 million for the second quarter ended June 30. Systemwide sales for the quarter were up 11% to $2 billion compared to the same period a year earlier.

For the first six months of 1982, McDonald's reported a 14% increase in net income to $145.2 million on an 11% rise in revenues to $1.3 billion. Sales for the first six months were up 9% to $3.75 billion compared to the first half of 1981.

International division sales for the first six months of 1982 were $693 million, up slightly from $647 million in the same period a year earlier. Of the 6,905 McDonald's restaurants in operation on June 30, 1,243 were outside the United States.

A McDonald's spokesman said Chicken McNuggets are now sold in 4,700 domestic units and will be in all McDonald's domestic restaurants by year's end. The company still considers McNuggets a test product; the spokesman described sales and consumer acceptance as "encouraging."

Chart House net grows 7% as revenues rise 9% in qtr.

LAFAYETTE, La.—Chart House Inc., a diversified restaurant company, said net income rose 7%, to $5 million, for the second quarter, ended June 30, over the prior year's comparable period.

Revenues for the quarter increased 9%, to $98.3 million.

Chart House owns or franchises a total of about 500 restaurants, including nearly 400 Burger Kings.

During the second quarter, the company converted two of its Cork 'n Cleaver steakhouses to its more successful Cisco's Mexican dinnerhouse concept. Chart House said this completes the schedule for Cork 'n Cleaver conversions to Cisco's. In addition, three new Cisco's were opened.

Also during the quarter, one new Burger King and three Chart House steak restaurants began operations.

Meanwhile, the company continued to push ahead with its burgeoning Luther's barbecue concept. Four franchised and two company-operated Luther's are currently under construction; when opened, they will bring the total number of Luther's to 16. Chart House also holds franchise agreements calling for the development of another 75 Luther's over the next five years.

Takeover group ups stake in Chock Full o'Nuts Corp.

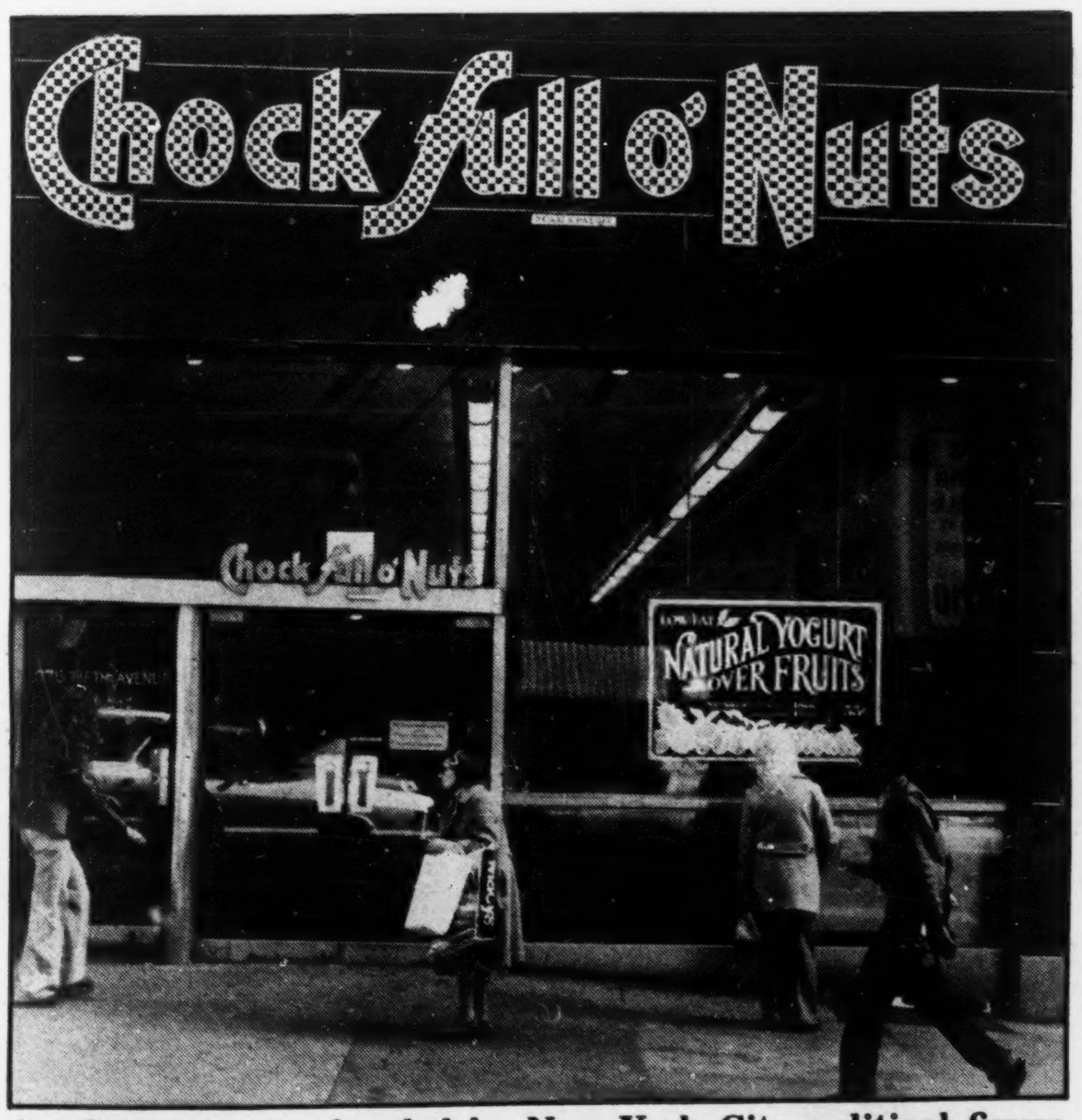
NEW YORK—Financier Jerry Finkelstein said last month that he and an investment group he leads had increased its stake in Chock Full o'Nuts Corp. to 674,100 shares, or 13.9%, from the previous 10.4%.

Three new members to the group accounted for most of the increase. Finkelstein is a local political fundraiser and chairman of the Struthers Wells Corp. He publishes the National Law Journal with his son James.

The three new members of the takeover group are Virgil Gladieux, chairman and chief executive of the Gladieux Corp., a big contract feeder; Lawrence Brinn, a lawyer, and Robert Wechsler, former president and chairman of the Wechsler Coffee Corp.

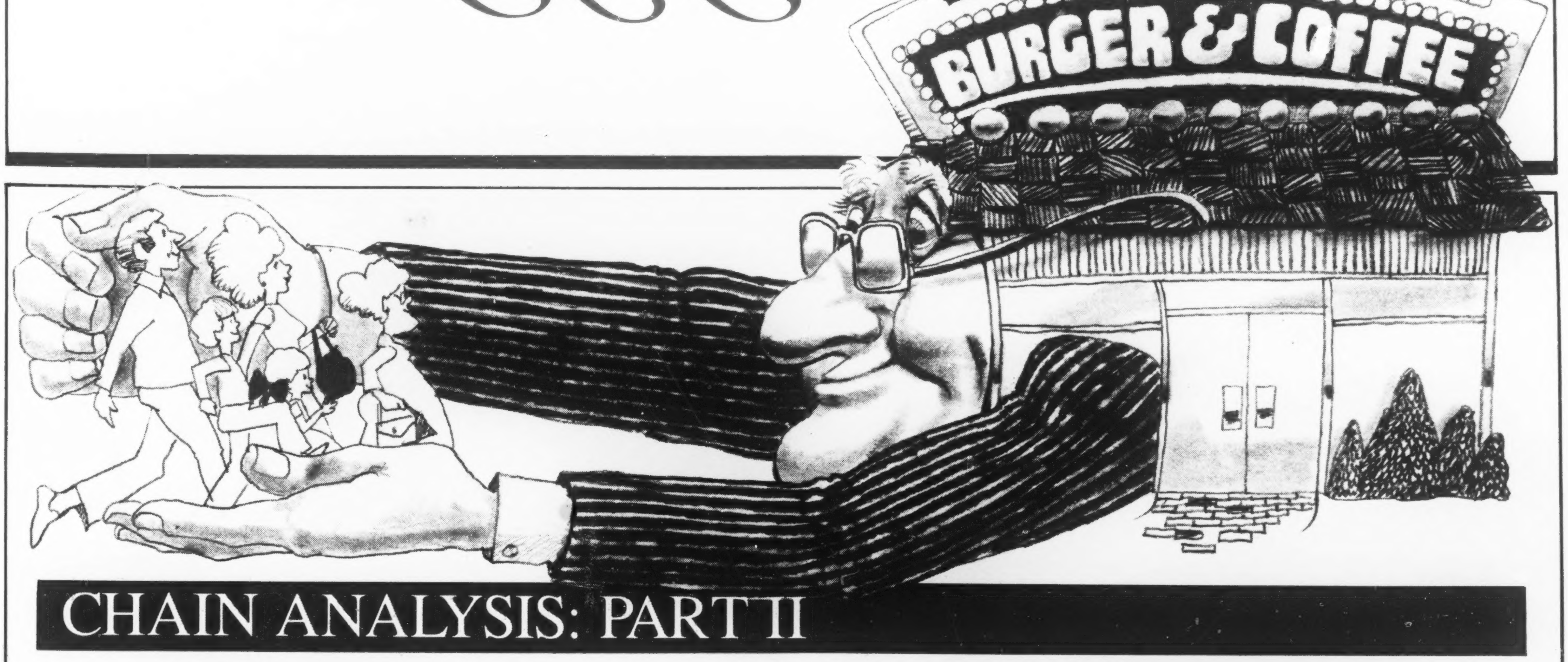
Chock Full o'Nuts, which operates about 35 coffee shops in New York, takes 80% of its sales and earnings from coffee roasting and distribution.

The group met last month with company attorneys to discuss buying stock from the company's chairman and founder, William Black, who together with his wife owns 16.7% of the outstanding shares. No agreement was reached.



A takeover group headed by New York City political figure Jerry Finkelstein raised its stake in Chock Full o'Nuts.

NRN FOCUS



CHAIN ANALYSIS: PART II

CHAINS PULLING OLDER PATRONS

Research unveils new demographic look for industry

NRN Special Report

A new set of demographics is changing the face of the food service industry, comprehensive *Nation's Restaurant News* surveys indicate.

Instead of the former teenage and early 20's orientation, some 57% of burger chain customers are in the 25 to 49 age range. And 19% are over 50.

At the same time the coffee shop/family restaurants segment shows a rising 27% of its customers over 50, and 46% in the 25 to 49 bracket.

These trends are in some ways paralleling the rising age of the labor force which is seeing a higher percentage of persons in their 30's and 40's working in fast-food and coffee shop establishments.

Along with the rising ages of customers is an accompanying trend toward higher income levels. One-third of all burger chain customers are in the over $25,000 family income bracket, and almost one-third are at $15,000 to $25,000.

For coffee shops, 38% are now in the $15,000 to $25,000 bracket and 25% over $25,000. But a key segment of the coffee shop market has been hard-hit as evidenced by a slump from 37% of the customers last year to 28% in the $8,000 to $15,000 category; this is where unemployment has struck the heaviest.

Accompanying these changes in customer demographics are higher check averages, which have reached $2.45 per person for burger chains and $3.75 per person for coffee shops. But the rate of increase has slowed as food cost percentages finally dropped and menu price increases abated, rising only 5.1% for burger chains and 6.1% for coffee shops.

The averages show fairly healthy increases in average per unit sales,

(Continued on page 42)

AVERAGE BOX SCORE ON CHAINS—1979 To 1982

	Burger Chains				Family Restaurants And Coffee Shops			
	1979	1980	1981	1982	1979	1980	1981	1982
Average Check Per Person	$2.11	$2.26	$2.40	$2.45	$3.11	$3.41	$3.65	$3.75
Average Annual Sales Per Unit	$548,860	$609,648	$659,000	$728,000	$590,564	$642,356	$675,000	$743,000
Average Per Cent Food Costs to Sales	37.2%	35.5%	35.1%	34.6%	35.8%	35.1%	34.9%	32.9%
Average Per Cent Payroll Costs to Sales	23.8%	26.4%	24.8%	24.6%	26.6%	29.5%	28.8%	28.0%
Average Per Cent Pretax Profit	8.7%	5.9%	8.5%	9.0%	10.1%	4.2%	5.3%	8.2%
Average Per Cent Menu Price Increase In Last Year	+10.5%	+9.8%	+9.2%	+5.1%	+9.5%	+10.1%	+9.6%	+6.1%
Main Specialty Item	Burger	Burger	Burger	Burger	Breakfast	Breakfast	Breakfast	Breakfast
Per Cent of Sales of Specialty Item	14.6%	12.7%	11.9%	11.7%	25.1%	25.5%	26.1%	28.2%

Source: *NRN* research

June sales surge may signal end to woes

NEW YORK—Real average sales growth (adjusted for price increases) for 17 major food-service chains topped 3% in June, the best monthly sales performance in four years. This takes on added significance in view of the fact that the previous June was a relatively strong month.

These figures, compiled from extensive store surveys by Carl DeBiase of Colonia, N.J.-based Restaurant Industry Trends, may indicate that the corner has finally been turned in overcoming economic woes and achieving customer count sales increases. On the other hand, they may indicate just a temporary rebound.

Sales growth for the selected chains has been up each month for the last few months, over the same month of 1981. But in May the sales growth average for these chains was only 1.6%.

Leading the way in real adjusted sales growth for June was Wendy's, up 7%. Other big gainers were Jack in the Box, up 6%; KFC and Hardee's, each up 4%; McDonald's, up 3%; and Long John Silver's and Friendly, up 2% each.

But Church's was off 2%, and Sambo's and Taco Bell were each off 3%.

With Denny's off 1% after months of increases and Howard Johnson flat, it appears that the coffee shop segment has temporarily slumped—perhaps because of the competition with this segment's exceptionally high figures of the previous June.

"Considering that weak economic conditions still prevail," said DeBiase, "the restaurant business may for a time be more insulated from external forces than had generally been thought."

He attributed the surge to "a dramatic slowdown in inflation" along with a rise in real disposable income. Tax cuts and consumer reluctance to spend for big ticket items (cars, homes) leave more money available for "impulse purchases such as restaurant meals."

New products were said to be playing an increasing role in stimulating the surging burger chain sales and "cushioning the adverse effects of fatigued menus."

Along with the rising ages of burger and coffee shop customers is an accompanying trend toward higher income levels.

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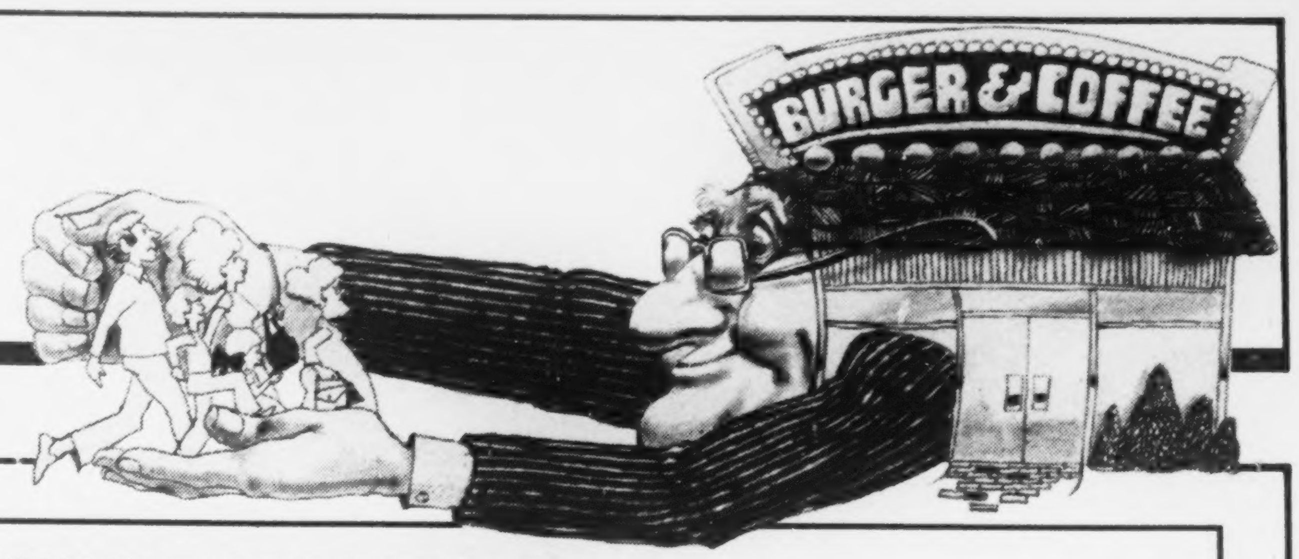

PRICE INDEX FOR FOOD AWAY FROM HOME

1977 to June 1981 (1967 = 100.0)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1978 Index	208.2	210.5	212.3	214.0	215.8	217.8	219.9	221.7	223.2	224.6	225.9	227.4
1979 Index	230.2	233.4	236.0	238.4	241.1	242.7	244.9	246.5	247.6	249.6	251.3	253.4
1980 Index	256.1	258.3	260.9	263.0	264.6	266.6	267.8	269.5	271.4	273.1	275.3	277.7
1980/1979 % change in menu price by month	11.25	10.67	10.55	10.32	9.75	9.85	9.35	9.33	9.61	9.42	9.55	9.59
1980/1979 % change in menu price year to date	11.25	10.96	10.82	10.69	10.50	10.39	10.24	10.12	10.06	9.99	9.95	9.92
1981 Index	280.9	284.7	286.1	288.2	289.3	290.6	292.4	293.7	294.8	296.2	297.2	297.7
1981/1980 % change in menu price by month	9.68	10.22	9.66	9.58	9.33	9.00	9.18	8.98	8.62	8.46	7.95	7.20
1981/1980 % change in menu price year to date	9.68	9.95	9.85	9.78	9.69	9.58	9.52	9.45	9.36	9.26	9.14	8.97
1982 Index	299.8	301.2	302.4	303.6	304.8	305.9						
1982/1981 % change in menu price by month	6.73	5.80	5.70	5.34	5.36	5.26						
1982/1981 % change in menu price year to date (cumulative)	6.73	6.26	6.07	5.89	5.78	5.69						

Source: *NRN* Research

The price index for food away from home continues to rise at a considerably faster pace than the wholesale food price index. This presents a serious challenge to food-service operators, since supermarkets are able to hold their prices fairly steady while restaurants are still showing year-to-year average 6% menu price rises. Thus while inflation has eased and menu price increases have abated, menu prices are still outpacing any supermarket price rises.

Some 80% of a typical supermarket's cost components are in the food; in effect, supermarket prices closely reflect the overall wholesale food price index but restaurant prices don't. Only 40% of a typical restaurant's costs are in food. The remainder are in labor (a most significant cost for this labor-intensive business), utilities, rental and other costs.

PRICE INDEX FOR WHOLESALE FOOD

1977 to June 1981 (1967 = 100.0)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1978 Index	193.3	198.3	199.2	204.5	206.6	208.9	210.7	206.1	209.7	213.2	211.7	215.5
1979 Index	219.7	224.5	225.4	227.5	226.4	223.9	225.0	224.5	228.2	226.8	229.9	232.1
1980 Index	231.1	235.7	234.7	231.7	237.4	237.7	245.4	253.9	254.2	258.3	259.3	253.9
1980/1979 % change in wholesale price by month	5.19	4.99	4.12	1.85	4.86	6.16	9.07	13.10	11.39	13.89	12.79	9.39
1980/1979 % change in wholesale price year to date	5.19	5.09	4.76	4.02	4.19	4.52	5.17	6.16	6.75	7.47	7.96	8.08
1981 Index	255.8	253.9	253.2	251.6	250.3	252.2	255.5	253.7	251.7	249.4	247.8	248.0
1981/1980 % change in wholesale price by month	10.69	7.72	7.88	8.59	5.43	6.10	4.12	−0.08	−0.98	−3.45	−4.44	−2.32
1981/1980 % change in wholesale price year to date	10.69	9.19	8.75	8.71	8.05	7.72	7.18	6.22	5.37	4.43	3.57	3.06
1982 Index	252.0	253.5	251.5	254.4	257.9	259.0						
1982/1981 % change in wholesale price by month	−1.49	−0.16	−0.67	1.11	3.04	2.70						
1982/1981 % change in wholesale price year to date	−1.49	−0.82	−0.77	−0.31	0.36	0.74						

Source: *NRN* Research

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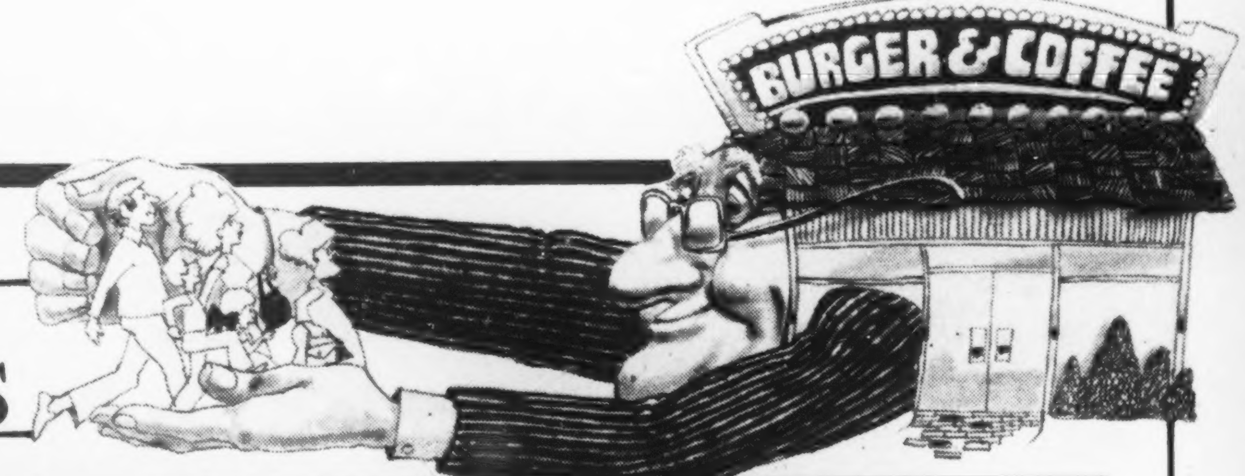

FAMILY RESTAURANTS/COFFEE SHOPS

Courting older customers; breakfast percentage dips

A strong market in the over 50's bracket is emerging for the family restaurants/coffee shops segment.

The percentage of customers over 50 who dine in coffee shops has reached 27.2% of the total. This is a prime factor in the heavy barrage of senior citizen discounts and special promotions catering to this age group.

Along with the rise in age levels has come a substantial increase in the income levels of coffee shop customers. A full 25.2% of the customers have family incomes over $25,000.

Faced with severe competition from fast feeders, the percentage of breakfast period sales in the coffee shop mix has dipped to 21.1%. Lunch has held even while dinner/supper sales are off from 1981's 35% to 30.2%.

Snacks and "other" meal periods for the 24-hour operations have doubled to 16.7% of the sales mix as customers take advantage of the flexible menus and around-the-clock hours of coffee shops.

Coffee shop menu price increases have dropped to 6.1% in the past year.

Severe competition from fast feeders is eating away at sales during the breakfast period. Breakfast items, however, are selling well in other meal periods.

INSIDE STATISTICS OF FAMILY RESTAURANTS/COFFEE SHOPS

	1980	1981	1982
Cost Profile			
Menu Price Changes	10.1%	9.1%	6.1%
Food Cost*	8.2	3.5	3.2
Labor Cost Increases†	8.4	7.8	3.5
Consumer Profile			
Age Distribution			
Under 25	27.8%	29.8%	26.8%
25-49	47.1	46.3	46.0
50+	25.1	23.9	27.2
TOTAL	100.0%	100.0%	100.0%
Income Distribution			
Under $8,000	8.9%	9.1%	8.2%
$8,000-$14,999	31.9	37.3	28.5
$15,000-$24,999	35.8	35.3	38.1
$25,000+	23.4	18.3	25.2
TOTAL	100.0%	100.0%	100.0%
Sales Percentage Breakdown			
Breakfast	25.5%	24.8%	21.1%
Lunch	32.9	31.7	32.0
Dinner/Supper	33.5	35.0	30.2
Other	8.1	8.5	16.7
TOTAL	100.0%	100.0%	100.0%

*Due to wholesale price changes.

†Due exclusively to changing benefits, wages, new overtime provisions, tip credit and meal credit changes.

Source: *NRN* Research

Breakfast items show broad appeal

While the percentage of sales in the coffee shop mix has dropped for the morning breakfast period, it has increased from 26.1% last year to 28.2% for breakfast items themselves, which are sold 24 hours a day. This emphasizes the all-round appeal of breakfast items at any time of the day or night.

Chief gainers in the sales mix are beverages, up from 18.2% to 18.5%, and dinner items, up from 11.7% to 12.7% even though the dinner period itself is off slightly in the sales mix. (Again, the dinner/supper items are sold during other meal periods.)

Categories which apparently have slumped in the sales mix are platters and salads, off from 1981's 18.9% to 17.4%; sandwiches, off from 14.7% to 14.2%, and desserts, down from 5% to 4.4%.

Top Sellers Chart, Page 45

Study uncovers changing trends in demographics

(Continued from page 39)

outpacing menu price rises and indicating equal or higher customer counts. Burger chain average per unit sales jumped to $728,000 and coffee shops to $743,000.

With food cost percentages dropping and payroll costs holding fairly steady, average pretax profits for burger chains increased from 8.5% of sales to 9% for burger chains and jumped all the way from 5.3% to 8.2% for coffee shops.

Trying to broaden their appeal to attract more middle-aged customers, burger chains suffered a slight drop in the percentage of sales of the principal burger, from 11.9% of the sale mix to 11.7%.

Breakfast items—still the around-the-clock staple of the coffee shop business—rose from 26.1% of sales to 28.2%.

Breakfast is the fastest-growing meal period among fast feeders, going from 7.4% of the average sales mix to 9.5%. Of course, there's a lot more room to grow for breakfast than on any other meals. (Here breakfast items and breakfast as a meal period are virtually the same for fast feeders.)

Beverages and dinner items were the fastest-growing categories for coffee shops.

REAL SALES CHANGES

	Average Store				Eating & Drinking Places*	Food Stores*
	Coffee Shops†	Fast Food		Total		
		Burger††	Other†††			
1979						
1st Qtr.	−2.7%	−3.5%	−0.7%	−2.0%	0.6%	−2.1%
2nd Qtr.	−7.4	−4.6	−1.2	−3.8	−4.3	0.3
3rd Qtr.	−8.0	−3.3	−0.8	−3.5	−6.0	−0.6
4th Qtr.	−5.1	−1.9	−3.2	−3.4	−2.2	−2.9
1980						
1st Qtr.	−5.6	−2.2	−3.5	−3.7	−0.7	4.6
2nd Qtr.	−3.3	−2.8	−3.0	−3.1	−2.1	3.9
3rd Qtr.	−0.2	−0.7	−1.7	−1.3	−2.5	2.7
4th Qtr.	−2.7	0.3	0.5	−0.5	−3.1	−0.3
1981						
1st Qtr.	−1.8	0.6	0.8	0.3	−0.8	−1.2
2nd Qtr.	3.7	1.6	1.9	2.2	2.1	2.4
3rd Qtr.	0.9	−0.7	1.0	0.7	1.6	3.0
4th Qtr.	−2.4	−0.1	0.6	−0.3	0.3	4.4
1982						
1st Qtr.	−3.5	−0.1	−0.3	−0.9	−0.7	2.3
2nd Qtr.	−0.9	4.9	2.0	2.2	2.3**	1.2**

†Denny's, Friendly, Howard Johnson, Sambo's

††Burger King, Hardee's, Jack in the Box, McDonald's, Wendy's

†††Church's, Dunkin Donuts, KFC, Long John's, Pizza Hut, Ponderosa, Taco Bell, Winchell's

*Government data for 1978 through 1980 was revised in March 1981.

**Estimated

Source: U.S. Department of Commerce, Bureau of Labor Statistics

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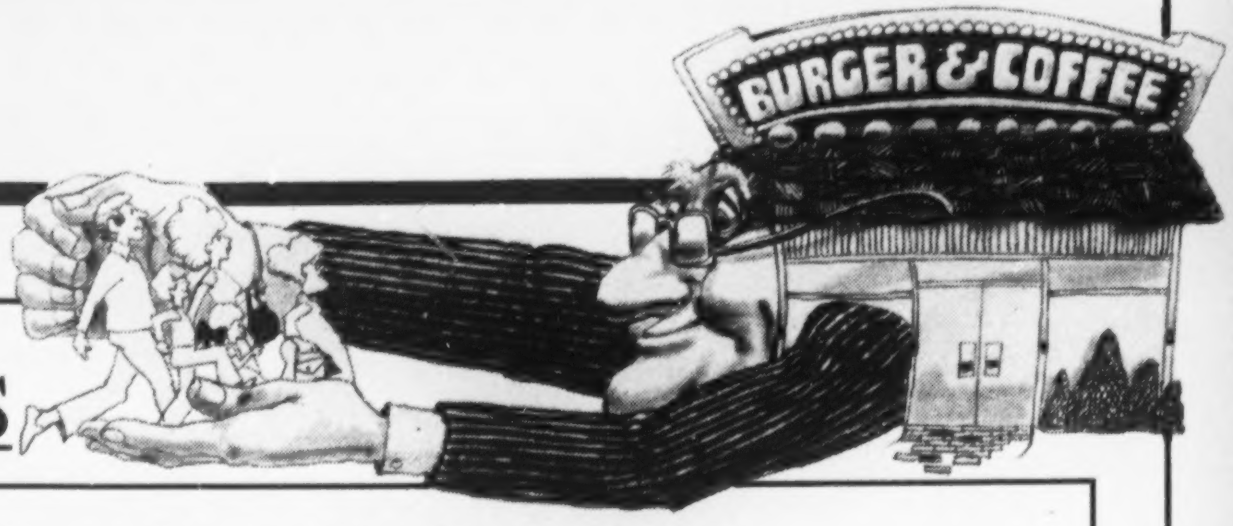


FAMILY RESTAURANTS/COFFEE SHOPS

TOP SELLERS AT FAMILY RESTAURANTS AND COFFEE SHOPS

Menu Items	Average Weekly Dollars Per Restaurant 1981	1982	Per Cent of Total Sales 1981	1982	Average Number Of Items Sold Per Week 1981	1982	Per Cent of Items Sold 1981	1982
Breakfast	$ 3,388	$ 4,028	26.1%	28.2%	1,765	1,966	16.4%	17.6%
Platters/Salads	2,453	2,486	18.9	17.4	966	925	9.0	8.3
Beverages	2,362	2,643	18.2	18.5	4,990	5,394	46.5	48.2
Sandwiches	1,908	2,028	14.7	14.2	1,179	1,153	11.0	10.3
Dinners	1,522	1,815	11.7	12.7	334	397	3.1	3.5
Desserts	649	629	5.0	4.4	676	629	6.3	5.6
Chili/Soup/Side Orders	701	657	5.4	4.6	825	730	7.7	6.5
TOTALS	$12,982	$14,286	100.0%	100.0%	10,735	11,194	100.0%	100.0%

Source: *NRN* Research

BREAKFAST: 28.2% OF 1982 SALES

Menu Items	Average Weekly Dollars Per Restaurant 1981	1982	Per Cent of Total Sales 1981	1982	Average Number Of Items Sold Per Week 1981	1982	Per Cent of Items Sold 1981	1982	Average Menu Prices 1981	1982
Eggs	$ 636	$ 644	18.7%	16.0%	344	322	19.5%	16.4%	$1.70	$2.00
Omelets	583	758	17.2	18.8	233	286	13.2	14.6	2.25	2.65
Baked Goods	207	226	6.1	5.6	296	323	16.8	16.4	0.65	0.70
Pancakes	338	366	10.0	9.1	205	209	11.6	10.6	1.50	1.75
Waffles	68	80	2.0	2.0	47	50	2.7	2.5	1.30	1.60
French Toast	70	101	2.1	2.5	44	56	2.5	2.8	1.45	1.80
Cereals	37	44	1.1	1.1	44	52	2.5	2.6	0.75	0.85
Side Orders	142	173	4.2	4.3	142	173	8.0	8.8	0.90	1.00
Meat Breakfast	629	622	18.6	15.4	185	168	10.5	8.6	3.10	3.70
Combo Breakfast	678	1,014	20.0	25.2	226	327	12.7	16.7	2.65	3.10
TOTALS	$3,388	$4,028	100.0%	100.0%	1,765	1,966	100.0%	100.0%		

Source: *NRN* Research

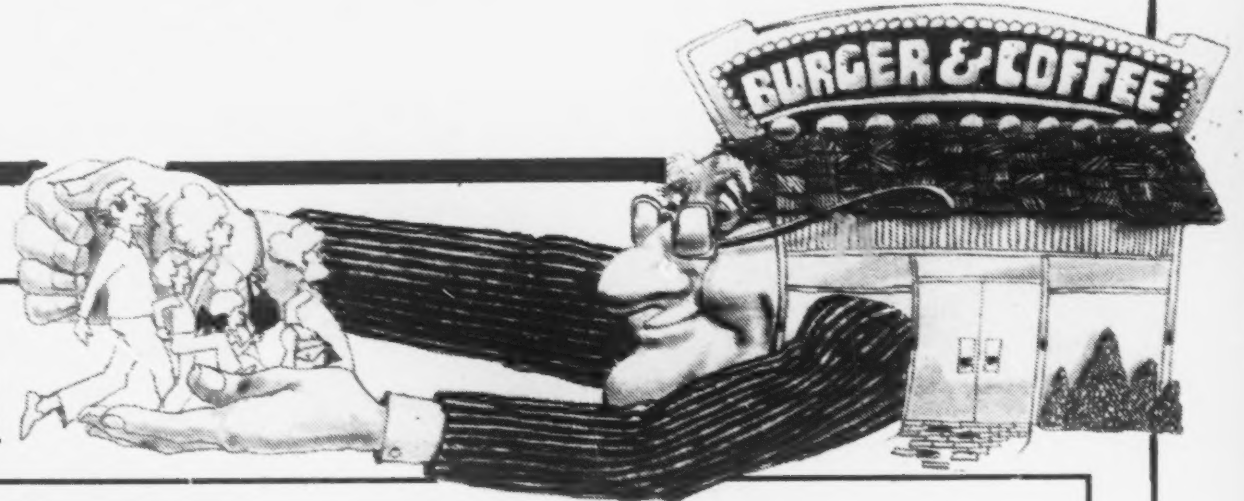
PLATTERS/SALADS: 17.4% OF 1982 SALES

Menu Items	Average Weekly Dollars Per Restaurant 1981	1982	Per Cent of Total Sales 1981	1982	Average Number Of Items Sold Per Week 1981	1982	Per Cent of Items Sold 1981	1982	Average Menu Prices 1981	1982
Specialty Burger	$ 747	$ 733	30.5%	29.5%	282	257	29.2%	27.8%	$2.65	$2.85
Burger Platter	320	351	13.1	14.1	136	138	14.1	14.9	2.35	2.55
Fish Platter	230	247	9.4	9.9	100	105	10.3	11.4	2.30	2.35
Chicken Platter	234	223	9.5	9.0	90	84	9.3	9.1	2.60	2.65
Chili Platter	104	104	4.2	4.2	61	56	6.3	6.0	1.70	1.85
Diet Platter	373	381	15.2	15.4	131	127	13.6	13.7	2.85	3.00
Chef Salad	346	374	14.1	15.0	128	131	13.3	14.2	2.70	2.85
Other Platters	99	73	4.0	2.9	38	27	3.9	2.9	2.60	2.70
TOTALS	$2,453	$2,486	100.0%	100.0%	966	925	100.0%	100.0%		

Source: *NRN* Research

The popularity of breakfast items remains strong but platters and salads have apparently slumped from a strong showing in 1981

NRN FOCUS



FAMILY RESTAURANTS/COFFEE SHOPS

BEVERAGES: 18.5% OF 1982 SALES

Menu Items	Average Weekly Dollars Per Restaurant		Per Cent of Total Sales		Average Number Of Items Sold Per Week		Per Cent of Items Sold		Average Menu Prices	
	1981	1982	1981	1982	1981	1982	1981	1982	1981	1982
Coffee	$1,042	$1,221	44.1%	46.2%	2,316	2,713	46.4%	50.3%	$0.45	$0.45
Carbonated Drinks	647	663	27.4	25.1	1,294	1,205	25.9	22.3	0.50	0.55
Milk	236	248	10.0	9.4	524	496	10.5	9.2	0.45	0.50
Juices	215	251	9.1	9.5	358	405	7.2	7.5	0.60	0.62
Tea	66	77	2.8	2.9	147	171	3.0	3.2	0.45	0.45
Iced Tea	76	100	3.2	3.8	169	222	3.4	4.1	0.45	0.45
Hot Chocolate	45	49	1.9	1.8	112	114	2.2	2.1	0.40	0.43
Other Beverages	35	34	1.5	1.3	70	68	1.4	1.3	0.50	0.50
TOTALS	$2,362	$2,643	100.0%	100.0%	4,990	5,394	100.0%	100.0%		

Source: *NRN* Research

SANDWICHES: 14.2% OF 1982 SALES

Menu Items	Average Weekly Dollars Per Restaurant		Per Cent of Total Sales		Average Number Of Items Sold Per Week		Per Cent of Items Sold		Average Menu Prices	
	1981	1982	1981	1982	1981	1982	1981	1982	1981	1982
Specialty Burger	$ 328	$ 456	17.2%	22.5%	164	217	13.9%	18.8%	$2.00	$2.10
Plain Burger	323	306	16.9	15.1	239	211	20.3	18.3	1.35	1.45
Cheeseburger	262	260	13.7	12.8	181	168	15.4	14.6	1.45	1.55
Bacon/Lettuce/ Tomato	148	154	7.8	7.6	82	81	7.0	7.0	1.80	1.90
Grilled Cheese	111	126	5.8	6.2	85	87	7.2	7.6	1.30	1.45
Fish	209	205	11.0	10.1	116	105	9.8	9.1	1.80	1.95
Ham	116	126	6.1	6.2	63	63	5.3	5.5	1.85	2.00
Other Sandwiches	365	353	19.1	17.4	192	172	16.3	14.9	1.90	2.05
Frankfurters	46	42	2.4	2.1	57	49	4.8	4.2	0.80	0.85
TOTALS	$1,908	$2,028	100.0%	100.0%	1,179	1,153	100.0%	100.0%		

Source: *NRN* Research

DINNERS: 12.7% OF 1982 SALES

Menu Items	Average Weekly Dollars Per Restaurant		Per Cent of Total Sales		Average Number Of Items Sold Per Week		Per Cent of Items Sold		Average Menu Prices	
	1981	1982	1981	1982	1981	1982	1981	1982	1981	1982
Steaks	$ 344	$ 356	22.6%	19.6%	55	57	16.4%	14.4%	$6.25	$6.25
Chicken	277	365	18.2	20.1	70	87	20.9	21.9	3.95	4.20
Chopped Steak	105	136	6.9	7.5	27	35	8.1	8.8	3.90	3.90
Roast Beef, Turkey	235	273	15.5	15.0	50	58	15.0	14.6	4.70	4.70
Shrimp	199	243	13.1	13.4	41	49	12.3	12.3	4.85	4.95
Other Seafood	264	344	17.3	19.0	66	86	19.8	21.7	4.00	4.00
Other Dinners	98	98	6.4	5.4	25	25	7.5	6.3	3.90	3.90
TOTALS	$1,522	$1,815	100.0%	100.0%	334	397	100.0%	100.0%		

Source: *NRN* Research

Overall sandwich sales showed a slight decline in 1982 despite a marked increase in specialty burger sales over 1981 levels

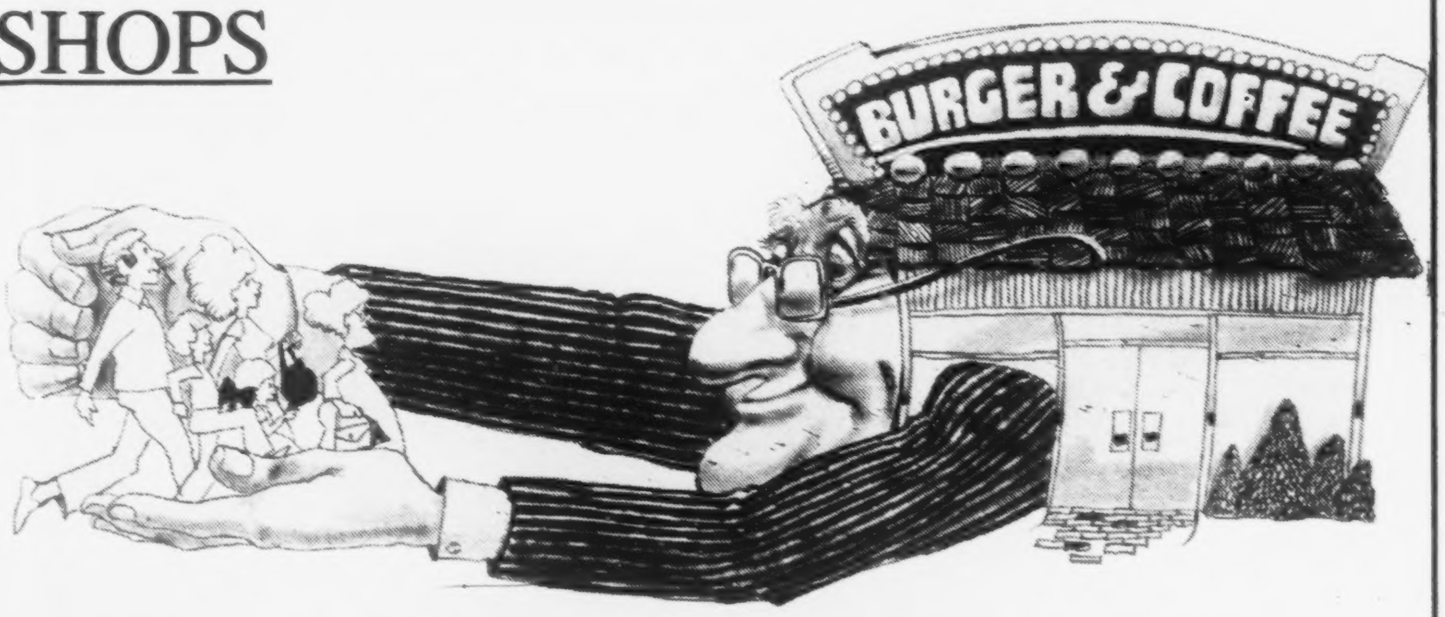
NRN FOCUS

FAMILY RESTAURANTS/COFFEE SHOPS

√ OPERATING HIGHLIGHTS OF FAMILY RESTAURANTS/ COFFEE SHOPS

	1981	1982
Food Sales	100.0%	100.0%
Food Cost	34.9	32.9
Supplies	3.1	3.1
Labor	28.8	28.0
Utilities	3.9	4.5
Advertising, Promotion	3.6	3.5
Administrative, General	7.0	6.5
Repairs, Maintenance	1.1	1.2
Rent, Property Tax Insurance	8.1	8.0
Depreciation	2.6	2.7
Interest	1.6	1.4
TOTAL	94.7	91.8
Pretax Profit	5.3	8.2

Source: *NRN* Research



Pretax profits show significant gain

Pretax average profits for family restaurant/coffee shop chains soared from 5.3% of sales to 8.2% this year on the heels of declines in food and labor cost percentages.

This relative prosperity for the coffee shop chain market is sparked by a drop in food costs from 34.9% to 32.9% of sales and in labor costs, from 28.8% to 28%.

These costs seemed to stabilize while average unit sales increased, leading to the considerably higher profit margins.

Utility costs remained a heavy expense item, jumping from 3.9% of sales to 4.5%. It is no wonder that coffee shop chains are at the center of experiments in solar energy which could sharply reduce utility costs.

With food and labor cost percentages declining, pretax average profits for family restaurants/coffee shops soared to 8.2%.

FAST-FOOD HAMBURGER CHAINS

Unit sales climb; breakfast, specialty sandwiches set pace

Average per unit sales for burger chains have jumped to $14,002 a week, up 9% from last year. The new figure represents over $700,000 annual sales.

Some of the burger chains—most notably McDonald's and White Castle—are well over $1 million in average annual unit sales—while others such as Burger King and Wendy's are hovering in the $700,000 range. Still others are in the $500,000 to $600,000 category.

Breakfast items moved up the fastest, jumping from 7.4% of the average sales mix to 9.5% as more chains capitalize on breakfast to achieve maximum productivity on their space and as consumers become more attuned to the idea of eating breakfast out.

A trend toward all types of specialty sandwiches, beyond burgers, has proliferated with "other sandwiches" now accounting for a greatly increased 4% of the average sales mix. But chicken sandwiches slipped slightly to 8.3% and fish sandwiches to 2.5%.

Desserts inched up to 2.2% of the mix but still are not as hefty a

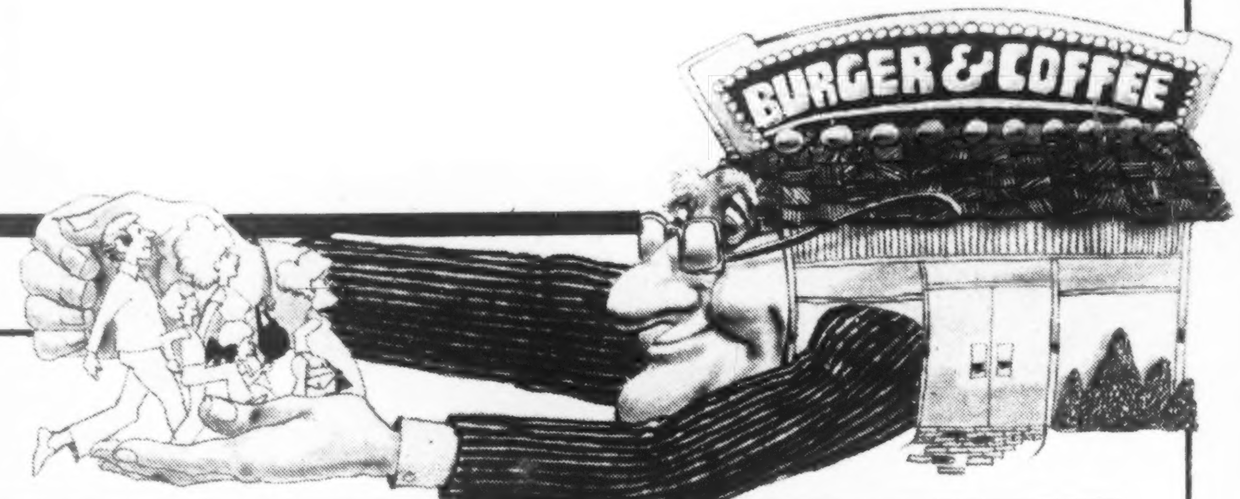
(Continued on page 55)

SALES AT BURGER CHAINS

	Average Weekly Dollar Sales Per Restaurant		Per Cent Of Total Sales		Average Number Of Items Sold Per Week		Per Cent Of Items Sold		Average Menu Prices	
Menu Items	1981	1982	1981	1982	1981	1982	1981	1982	1981	1982
Principle Specialty Burger	$ 1,534	$ 1,638	11.9%	11.7%	1,162	1,170	8.0%	7.7%	$1.32	$1.40
Principle Specialty Burger With Cheese	1,128	1,190	8.7	8.5	778	778	5.3	5.2	1.45	1.53
Hamburger, All Other, Plain	1,115	1,218	8.6	8.7	1,032	1,107	7.1	7.3	1.08	1.10
Cheese Burger, All Other, Plain	912	980	7.1	7.0	766	803	5.3	5.3	1.19	1.22
Chicken	1,128	1,162	8.7	8.3	594	581	4.1	3.8	1.90	2.00
Fish Sandwich	380	350	2.9	2.5	339	292	2.3	1.9	1.12	1.15
Other Sandwiches	323	560	2.5	4.0	190	320	1.3	2.1	1.70	1.75
Combination Platter	647	700	5.0	5.0	264	280	1.8	1.8	2.45	2.50
French Fries	1,616	1,722	12.5	12.3	2,566	2,733	17.6	18.0	0.63	0.63
Carbonated Beverages	1,867	1,918	14.6	13.7	3,662	3,761	25.1	24.8	0.51	0.51
Milk	51	42	0.4	0.3	138	114	1.0	0.8	0.37	0.37
Coffee	329	322	2.5	2.3	889	826	6.1	5.5	0.37	0.39
Milkshakes	545	448	4.2	3.2	778	640	5.3	4.2	0.70	0.70
Desserts	253	308	2.0	2.2	486	560	3.3	3.7	0.52	0.55
Breakfast Items	950	1,330	7.4	9.5	785	1,064	5.4	7.0	1.21	1.25
Other Items	127	114	1.0	0.8	149	134	1.0	0.9	0.85	0.85
TOTALS	$12,905	$14,002	100.0%	100.0%	14,578	15,163	100.0%	100.0%	—	—

Source: *NRN* research

NRN FOCUS



FAST-FOOD HAMBURGER CHAINS

New strategies taking hold as customer base changes

> *Merchandising efforts are being emphasized increasingly for the over 25's with more income to spend.*

The typical customer of a burger chain restaurant is moving up steadily in age and income level each year. This switch in demographics poses a whole new set of challenges and opportunities for these chains.

Today's target burger chain audience is clearly in the 25 to 49 age range, which attracts an estimated average of 56.6% of all the customers. Even the over 50's bracket contains 19.1% of the customers.

Woos Adults

While chains can't ignore the 24.3% of customers under 25, merchandising and marketing efforts are being emphasized increasingly for the over 25's with more income to spend.

Income levels have soared dramatically with one-third of the fast-food customers having over $25,000 annual incomes. This trend reflects inflationary effects on salaries, the higher age levels and the wider appeal of expanded fast-food menus to a broader constituency.

Breakfast is gaining rapidly as a fast-food offering, sparked by McDonald's heavy influence and success with it. A full 10.7% of fast-food burger chain sales are being achieved at breakfast.

Menu price rises have dropped to 5.1% compared with last year. Meanwhile, only 2.9% of food costs are now attributable to wholesale price changes, and only 3.8% of labor costs are attributable to changes in wages or changes in other related factors.

Per-unit sales show improvement

(Continued from page 52)

portion of sales as some feel they potentially could be.

Coffee—an extremely high profit item—fell from 2.5% to 2.3% while carbonated beverages dropped from 14.6% to 13.7%. It is noteworthy that the average price for a cup of coffee moved from 37¢ to 39¢ while the average soft drink price stayed at 51¢.

With all the experimenting and rolling out of new items other than burgers, the principal specialty burger dropped from 11.9% to 11.7% of the sales mix and the principal specialty burger with cheese, from 8.7% to 8.5%.

Pretax profits improve; costs steady

Burger chain average food costs as a percentage of sales inched up from 34.6% to 35.1% this year, and labor costs dipped from 25.1% to 24.6%.

This gives some breathing room on the bottom line and accounts for a rise in pretax profit margins from 8.1% of sales to 9%.

Most other costs held fairly steady with rent and related expenses showing the biggest change, dropping from 8.4% of sales to 8%. Utilities held even at 3.3%.

One reason for the improved picture was a moderate increase in average per unit sales, reducing some of the percentages if the cost totals held steady.

OPERATING HIGHLIGHTS OF BURGER CHAINS

	1981	1982 (Estimated)
Food Sales	100.0%	100.0%
Food Cost	35.1	34.6
Supplies	4.1	4.0
Labor Cost, Benefits	25.1	24.6
Utilities	3.3	3.3
Advertising, Promotion	4.3	4.4
Administrative, General	6.1	6.2
Repairs, Maintenance	1.3	1.4
Rent, Property Tax, Insurance	8.4	8.0
Depreciation	2.4	2.5
Interest	1.8	2.0
TOTAL	91.9	91.0
Pretax Profit	8.1	9.0

Source: *NRN* research

INSIDE STATISTICS OF BURGER CHAINS

	1980	1981	1982 (Estimated)
Cost Profile			
Menu Price Changes	9.8%	8.9%	5.1%
Food Cost*	8.5	3.1	2.9
Labor Cost Increases†	8.7	6.0	3.8
Customer Profile			
Age Distribution			
Under 25 Years Old	28.1%	27.6%	24.3%
25-49 Years Old	52.9	53.9	56.6
50 Years Old +	19.0	18.5	19.1
Income Distribution			
Under $8,000	13.7%	13.5%	11.6%
$8,000-$14,999	26.1	25.0	23.2
$15,000-$24,999	37.7	34.9	32.0
$25,000 +	22.5	26.6	33.2
Sales Percentage Breakdown			
Breakfast	6.5%	8.5%	10.7%
Lunch	47.7	47.4	47.1
Dinner/Supper	37.5	37.0	36.9
Other	8.3	7.1	5.3

Source: *NRN* research

*Due to wholesale price changes

†Due exclusively to changing wages, benefits, new overtime provisions, tip credit, meal credit charges

ESTIMATED MONTHLY SALES OF MAJOR CHAINS

JUNE 1982

	Per cent change over previous year			
	Total Store Sales	Prices	Real Sales	Prior Month Real Sales Change
Burger King	8.0%	3.0%	4.0%	0.0%
Church's	− 1.0	0.0	−1.0	−2.0
Denny's	6.0	5.0	1.0	−1.0
Dunkin Donuts	8.0	4.0	4.0	1.0
Friendly Ice Cream	1.0	2.0	−1.0	2.0
Hardee's	12.0	3.0	9.0	4.0
Howard Johnson	3.0	5.0	−2.0	0.0
Jack in the Box	9.0	4.0	5.0	6.0
Kentucky Fried Chicken	5.0	4.0	1.0	4.0
Long John Silver	3.0	4.0	−1.0	2.0
McDonald's	9.0	4.0	5.0	3.0
Pizza Hut	12.0	5.0	6.0	7.0
Ponderosa	9.0	5.0	3.0	−1.0
Sambo's	3.0	2.0	1.0	−3.0
Taco Bell	9.0	3.0	6.0	−3.0
Wendy's	9.0	3.0	6.0	7.0
Winchell's	13.0	6.0	7.0	−1.0
Total Average	6.9%	3.6%	3.1%	1.6%

Source: Restaurant Industry Trends

Gov't study tracks fast-food franchise trends

By Ken Rankin

WASHINGTON—Sales per unit in the typical franchisee-owned fast-food restaurant will top the half million dollar mark this year—a solid $30,000 increase over last year's per unit national average, according to the latest U.S. Commerce Department projections.

But at the same time, the department's authoritative annual *Franchising in the Economy* study indicates that the cost of buying a franchised food-service outlet is also on the rise, and prospective investors have somewhat fewer choices available to them.

Although the total number of franchised restaurant chains climbed from 399 in 1979 to 425 in 1980 (the most recent year for which these totals are available), an increasing number of these companies have at least temporarily suspended sales of new franchises.

In 1979, 293 chains (73% of all restaurant franchisors) reported that they were actually issuing agreements for new franchises. By 1980 only 277 companies—less than two-thirds of the total number of chains—were still accepting new franchisees, according to the Commerce Department's survey.

The total investment necessary to buy into the average franchised food-service establishment, meanwhile, rose sharply from $155,000 in 1979 to $175,000 by 1980, the Government franchising study found. And the cheapest restaurant franchise uncovered by Commerce Department researchers that year weighed in at $40,000 vs. only $18,000 in 1979.

On the other end of the scale, the survey found that the most costly restaurant franchise during 1980 required a total investment of $2 million—up from "only" $1.2 million the year before.

The "start-up cash" required for the typical new franchised restaurant outlet is also on the upswing, according to the latest Government figures. Although prospective franchisees can still get into business for as little as $5,000 (or as much as $500,000) in "up-front" cash, the average (median) start-up cash requirement rose from $50,000 in '79 to $60,000 in 1980.

Although more than half (58%) of all new franchise agreements issued by restaurant chains during 1980 were for periods of 20 years or longer, the trend is toward shorter contract periods. Only a year earlier, 60% of these agreements provided investors with a 20-year-or-longer franchise, while only 3% offered contracts for five years or less.

By 1980, 4% of the agreements covered no more than five years and the number of chains offering perpetual or "lifetime" franchises fell from 36 to 31. By far, the largest number of restaurant franchisors (44% of the total in 1980) offer contracts which last for 20 years.

Typically, once a franchise agreement expires, the contract may be renewed at the option of the chain—but not necessarily on the original terms offered to the franchisee.

Although franchisee-rights groups are seeking Federal and state legislation to require fast-food chains to renew agreements after the original contract term elapses, the latest Commerce Department statistics indicate that most food-service franchisors routinely renew these agreements even without such legislation.

Of 933 restaurant franchise agreements which became eligible for renewal during 1980, 89%—832 contracts—were ultimately extended for an additional term. Of the remaining 101, 77 were not renewed either by mutual consent or because the franchisee chose not to renew. Throughout the country, only two dozen franchisees were not renewed because of a unilateral action by the franchisor during 1980.

A considerably larger number of fast-food franchisees were terminated by their franchisors before the end of their franchise agreements, however. During 1980, Commerce Department surveys indicate that the nation's food-service franchisors acknowledged terminating 589 franchisees for a variety of contract violations.

Nearly half of these terminations were a result of nonpayment or financial default by the franchisee, while less than 4% (22) involved alleged quality control violations by operators.

Although the number of these franchisor terminations is small in relation to the 42,133 restaurant franchises in operation across the country in 1980, the termination rate did climb by more than 17% since 1979, according to the Commerce Department statistics.

Despite continuing high interest rates and a bleak economic outlook for many parts of the country, the nation's restaurant franchisors are anticipating solid growth this year.

In response to the Commerce Department's annual *Franchising in the Economy* survey, fast-food chains expect to post a net gain of more than 5,000 new units during 1982.

The majority of the new outlets projected for the current year will be franchisee-owned, and the total number of independently operated franchised restaurants is scheduled to rise 9.4% from 44,849 during 1981 to 49,081 by the end of this year.

Company-owned and operated units are projected to increase by 7.3% this year to a total of 20,056, according to the Government surveys.

Total franchised restaurant sales are expected to climb even faster in 1982, up 15.6% to nearly $36.5 billion—one third of all United States restaurant industry dollar volume.

Sales in company-owned establishments figure to increase 13.9% to $11.7 billion during 1982, while dollar receipts of franchisee-owned units is targeted for a strong 16.4% increase to almost $24.8 billion this year.

California remains home territory for nearly 1 out of every 10 of the nation's franchised restaurant establishments, with Texas a close second. These two states, along with Ohio, Illinois, Florida, Michigan, New York, Pennsylvania and Indiana accounted for half of the franchised food-service outlets in operation in 1980.

In terms of growth, however, the Sunbelt remains the most fertile expansion territory for fast-food franchisors. According to the Commerce Department, over 40% of the new units opened during 1980 were in Alabama, Florida, Arizona and Oklahoma.

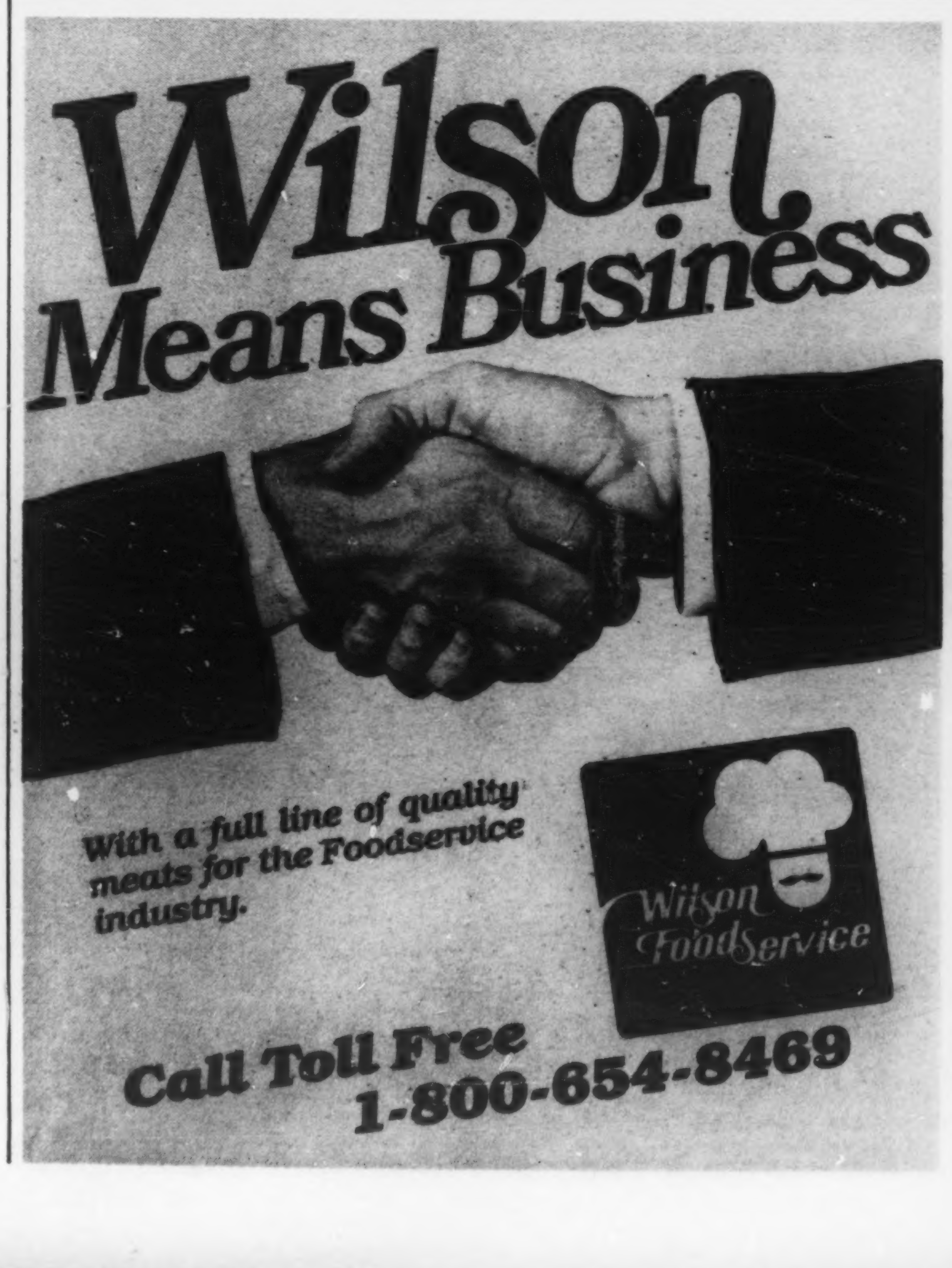
Find out what investment opportunities exist in the $32 billion franchised restaurant industry in the **FRANCHISING OPPORTUNITIES** *supplement appearing in our Aug. 30 issue.*

WHERE THE FAST FOOD BOOM IS HEADING NOW

(number of establishments in 1980)

State	Company-Owned	Franchisee-Owned	Total	Increase Since 1979	Per Cent Increase in 1980
Alabama	267	829	1,096	396	42.0
Alaska	3	72	75	– 11	–13.0
Arizona	210	694	904	147	19.0
Arkansas	128	487	615	– 25	4.0
California	1,461	3,934	5,395	19	0.9
Colorado	302	741	1,043	47	5.0
Connecticut	142	296	438	8	2.0
Delaware	18	85	103	6	6.0
District of Col.	49	53	103	16	19.0
Florida	982	1,532	2,514	155	7.0
Georgia	731	1,059	1,790	78	5.0
Hawaii	60	111	171	21	14.0
Idaho	34	213	247	10	4.0
Illinois	833	1,918	2,751	77	3.0
Indiana	504	1,284	1,788	– 42	– 2.0
Iowa	173	906	1,079	– 26	– 3.0
Kansas	212	650	862	49	6.0
Kentucky	306	883	1,189	46	4.0
Louisiana	278	621	899	22	3.0
Maine	44	101	145	25	21.0
Maryland	242	464	706	56	9.0
Massachusetts	229	453	682	63	10.0
Michigan	766	1,680	2,446	79	3.0
Minnesota	313	857	1,170	6	0.9
Mississippi	87	519	606	5	0.9
Missouri	482	870	1,352	83	7.0
Montana	8	179	187	– 2	– 1.0
Nebraska	143	356	499	0	0.0
Nevada	86	158	244	10	4.0
New Hampshire	25	104	129	– 6	– 4.0
New Jersey	165	798	963	– 8	– 0.9
New Mexico	62	319	381	– 22	– 5.0
New York	545	1,551	2,096	80	4.0
North Carolina	332	1,022	1,354	64	5.0
North Dakota	10	181	191	14	8.0
Ohio	1,138	2,160	3,298	273	9.0
Oklahoma	463	738	1,201	105	10.0
Oregon	173	536	709	– 14	– 3.0
Pennsylvania	546	1,338	1,884	197	12.0
Rhode Island	37	68	105	– 2	– 2.0
South Carolina	214	552	766	22	3.0
South Dakota	23	175	198	– 1	– 0.9
Tennessee	400	876	1,276	5	0.9
Texas	1,755	3,397	5,152	24	0.9
Utah	84	240	324	– 31	– 9.0
Vermont	3	45	48	1	2.0
Virginia	385	897	1,282	4	0.9
Washington	205	669	874	– 6	– 0.9
West Virginia	156	275	431	11	3.0
Wisconsin	255	907	1,162	– 7	– 0.9
Wyoming	13	140	153	17	12.5
TOTAL U.S.	16,082	38,993	55,075	1,976	3.7

Source: U.S. Commerce Dept.'s *Franchising in the Economy*, 1980-82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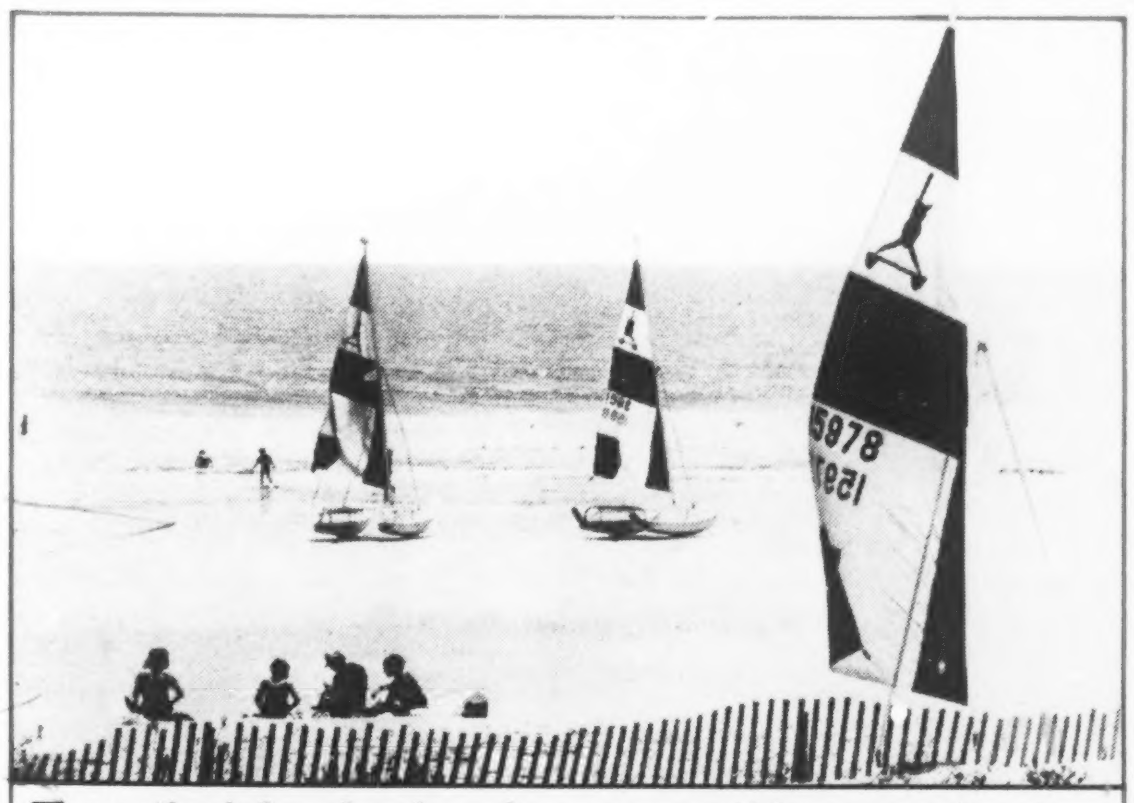


The nation's beaches have been among this summer's prime destination points, as travelers stay closer to home.

Summer vacationers staying closer to home

By Roman Czajkowsky

Apparently responding to the various pressures brought on them by the country's lagging economy, vacationers this summer are staying closer to home and spending their money more carefully than last year.

This pattern, reported by several travel and hospitality industry trackers, has so far meant mixed results for restaurant and hotel operators, who earlier in the year were optimistic about a strong summer season.

Summer vacation travel by car is expected to be up by 10% over last year's June, July and August period, according to the American Automobile Association. But vacation trips have been closer to home—usually within a radius of between 300 and 400 miles—and of shorter duration, in the range of four or five nights out.

"People are simply avoiding the grand, circuitous tours of past years," said AAA spokesman Allan Wilbur, adding: "It's a much more destination-oriented tour we're seeing."

Some of the country's prime tourist attractions have been affected.

At Disney World in Orlando, Fla., the number of day visits

(Continued on page 78)

Tax bill tradeoff preserves business meal deductibility

New plan resurrects employee tip reporting requirement

By Ken Rankin

WASHINGTON—In a dramatic legislative horse trade, restaurant industry and food-service employee union leaders agreed to accept cumbersome new tip income reporting requirements in order to preserve full tax deductibility for business meals.

The showdown over business meal tax deductions came during another marathon session at which Congressional conferees agreed to scuttle provisions of the Senate-passed tax bill slashing deductions for business meal expenses by 50%.

Instead, the conferees accepted a "compromise" hammered out between Senate Finance Committee Chairman Bob Dole (R-Kan.) and a coalition of restaurant, lodging industry and organized labor groups resurrecting Dole's original plan to require food-service operators to report employee tip income directly to Federal tax collectors.

Lobbyists for the NRA—one of the groups responsible for engineering the agreement with Dole—called the compromise "the best possible deal for the food-service industry," and a "significant improvement" over the Senate plan to restrict tax deductions for business meals.

Even so, no restaurant industry or union leaders were calling the compromise a victory, and the decision to barter away opposition to the tip disclosure scheme in order to kill Dole's "one and a half martini lunch" plan is sure to produce intense second-guessing among food-service operators over the next few months.

At presstime, the massive $98 billion tax bill still required final approval from both houses of Congress, and despite intensive efforts by President Reagan in support of the measure,

(Continued on page 77)

Latest U.S.D.A forecast

'82 food-price rises will remain moderate

NRN Special Report

WASHINGTON—Food-service operators can expect continued moderate rises in food prices throughout the last half of 1982, according to recently released U.S. Department of Agriculture forecasts. Overall food price levels during the third and fourth quarters are expected to stay in the same general range as those in the first half of the year, according to Paul Westcott, U.S.D.A. Economic Research Service economist.

For the first six months of this year, food prices rose by only 4.5% over the same period in 1981, actually falling below the 5% to 9% range estimated last December by Government economists and well within the 3% to 5% range predicted by *Nation's Restaurant News*. While individual foods showed wide variations—from a 14.5% increase for pork, to a 60% drop for dried beans—food trailed well behind overall consumer price index hikes for the first two quarters.

Outlooks for red meats are generally encouraging, with beef maintaining a fairly flat pattern through the fourth quarter and into the first quarter of 1983. Beef slaughter has leveled off and a small but gradual increase in the nation's herds is taking place due to lowered grain costs and continued good weather in the grazing areas of the West and Midwest.

(Continued on page 77)

Unemployment surge squeezing inner-city fast feeders

By Charles Forman

The anguish of the nation's inner city ghettoes is being clearly reflected on the balance sheets of the chain fast-food operators who hawk their wares among the poor. This was especially evident last month as the unemployment rate resumed its upward climb.

Not only do inner city operators find business flat or declining, but almost without exception they say they are facing escalating security problems that they attribute directly to unemployment.

Almost all saw current conditions in the same dim light as Frank Portillo, president of Brown & Portillo, Oak Brook, Ill., operator of about 150 company-owned and franchised Brown's Fried Chicken restaurants.

Portillo said: "I've been in this business 25 years and you'd have to say a down economy and unemployment are having their effect.

"Our sales are flat," Portillo said. "We're not getting those 15% gains we used to. The check average is identical to last year's but," he jested, "the number of them has gone down."

Portillo cited what he called underemployment as another cause of business downturn. He said underemployed people were those still working but earning less.

"It's a man who sells autos. He used to sell 100. Now he's selling one."

Despite hardship and fear the pinch on ghetto operators pocketbooks has as yet little of the disheartening aspect of the pinched looks on the faces of many of the workless.

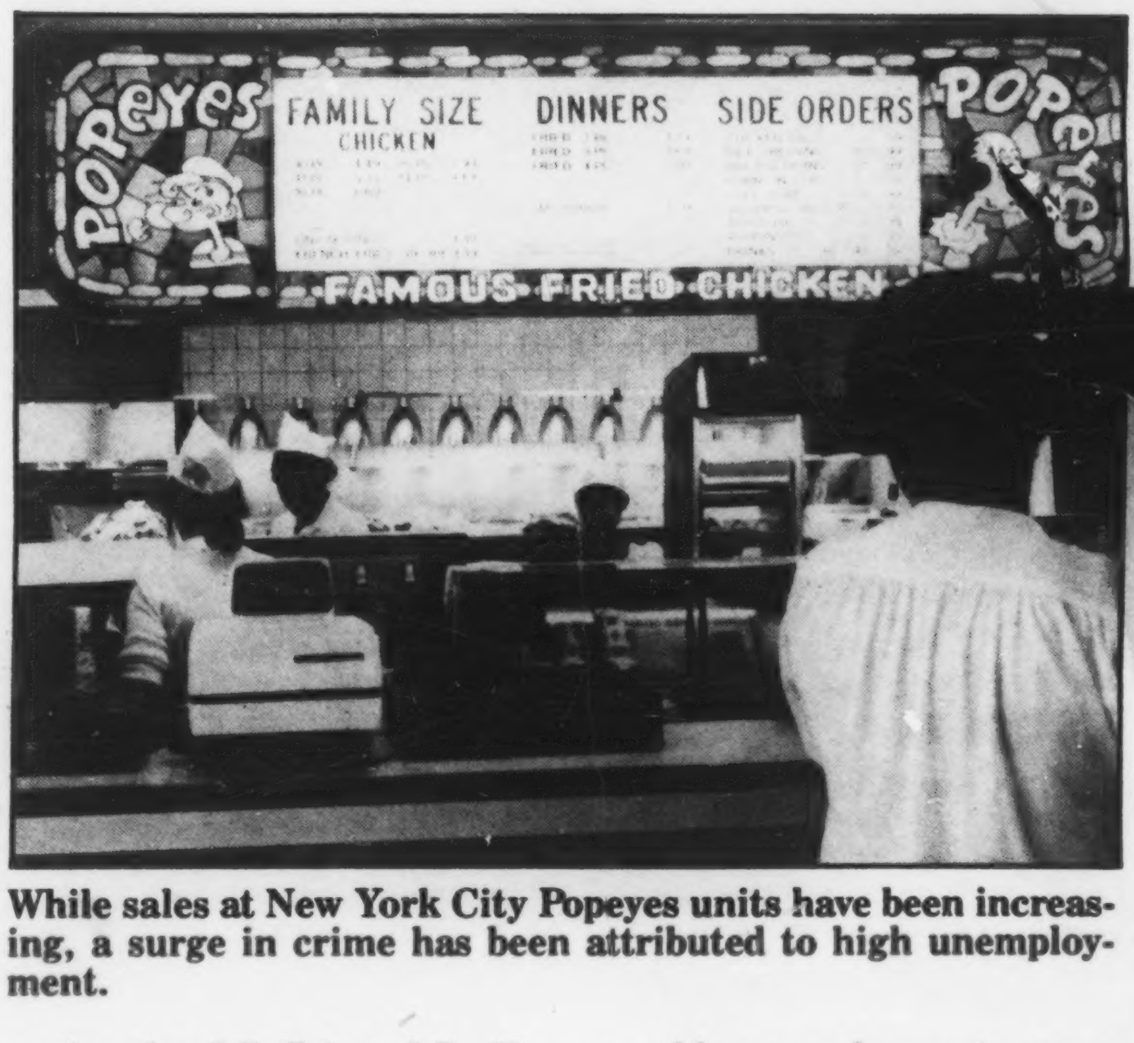
Don Doyle, KFC marketing chief and senior vice president, spoke for most of those interviewed when he said: "It's not that it's become diseconomic [ghetto business]; it's just that the growth has slowed down."

Doyle said he first began to notice the falloff last fall. "In September-October it started to get soft." He pointed to Chicago and Detroit as particular trouble spots for KFC.

The downturn in business Doyle spotted coincides roughly with last August's first of several large increases in the monthly unemployment rate as reported by the Department of Labor.

In July of last year unemployment stood at 7.2%. This spring it had risen to 9.5%, held steady for several months, then jumped to 9.8% last month.

(Continued on page 77)



While sales at New York City Popeyes units have been increasing, a surge in crime has been attributed to high unemployment.

LATE NEWSBREAKS

A strike by 1,800 members of Monterey, Calif.'s Local 483, Hotel Employees and Restaurant Employees International, has forced temporary hiring of nonunion workers. At presstime managements feared escalating strike activity; seven hotels and one restaurant were being picketed. At issue is the union's demand for a 50% wage and benefit increase over three years.

Bonanza, franchisor of 592 budget steakhouses reported a net profit of $507,000 for the second quarter ended June 27, compared with a loss of $1.7 million for the same period last year. Sales for the quarter shrunk slightly to $94.6 million, which was attributed to shutdowns of marginal units.

Arby's is testing a chicken breast sandwich at company stores in Lexington and Louisville, Ky. Served with lettuce and mayonnaise on a poppyseed egg bun, the sandwich sells for approximately $1.69

FINANCIAL NEWS

Sea Galley's 2nd-quarter profits off slightly

By Rick Martin

MOUNTLAKE TERRACE, Wash.—Sea Galley Stores has reported a 5% drop in profits to $591,000 for the second quarter ended June 30 compared to the same period last year. Sales in the quarter were up 26% to $17.2 million. For the first half of the current fiscal year, Sea Galley restaurants recorded $33.2 million in sales, up 55% from last year's six-month figures. Net profits rose 6% to $1.1 million for the same period.

Last year Sea Galley's profits rose 74% over 1980 to $2.2 million. The 48-unit seafood chain, continuing to grow at the rate of about one new unit per month, began to feel the effects of recession this year. Counts are down and average annual store sales (now about $1.5 million) are off by about $100,000.

Acquisition last year of the 31-unit Family Fish chain in the Washington, D.C., area has had the single biggest effect on the company's growing revenues, according to Dennis Wassman, Sea Galley's newly appointed executive vice president and chief operating officer. The company has sold off 21 of the Family Fish restaurants to cover the costs of the acquisition and has thus far converted five of the remaining 10 units to the Sea Galley concept.

Wassman indicated that the company is not altogether satisfied with its earnings performance so far this year. However, it expects to close out 1982 with big gains from chainwide rollout of a new $4.95 dinner special, which boosted business by as much as 40% in some stores during a test in three markets. Television advertising of the special will be handled by the company's own Seacrest Marketing division.

Earlier this year Sea Galley acquired a fish processing plant in Alaska and a meat and grocery distribution center in Seattle. The company operates its own construction division to design and build restaurants. Establishment of Seacrest Marketing came about after Sea Galley ended a nine-month association with the J. Walter Thompson firm.

Wassman, former senior vp of finance, said that the company may increase its annual revenues by $15 million as a result of business generated through fish, meat and grocery sales to competitors.

The especially sluggish economy in the Pacific Northwest, where Sea Galley has the greatest concentration of its restaurants, seems not to worry company management, although Wassman admits that it is "difficult with a soft economy to keep your margins together."

The average Sea Galley restaurant serves from 200 to 400 dinners on weeknights and 600 to 700 on weekends; the average check, including liquor, is $8.35 at dinner and $4 at lunch. Since introducing the $4.95 special, counts are returning to the 700 to 800 dinners-per-night range of previous years. The dinners in the $4.95 test were broiled salmon, fried shrimp and a fish and chips dinner of either halibut or salmon. Shrimp was selected for the first promotion.

The company's inability to spur greater lunchtime patronage is a fact of life management can't do much about. "It's hard to be a dinner house and lunch house," Wassman said, "because you've got demographics working against you—we situate our restaurants where people live, not where they work."

Sea Galley's menu features as many as 20 seafood entrees, grouped by price range—a half dozen entrees are listed under each of three categories: $5.95, $6.95 and $7.95. Prime rib, three steak dishes and a steak and lobster combination are available, as are three varieties of crab legs: Snow, Dungeness and King. Other items are a Surf Plate (a combination of crab, shrimp, scallops and other fish), steamed clams and a Steak Neptune dish of sirloin topped with crabmeat and bearnaise.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Aug. 13							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change					Indicated Dvd. Rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
					Change		52-Week																				
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.	5-Year Annual Growth Rate	Profit Margin	Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	5.50	5.00	5.00	.00	.00	8.00	3.50	1.63	-.30	-.96	-8.97	.47	-.48 S	-109.0	-5.0	4.3	NE	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	17.50	15.88	16.38	-.50	-2.96	20.88	10.00	-.40	-1.32	-.44	-8.05	1.66	.41 N	26.2	34.0	6.3	8.3	.22	1.3	08-10-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	28.88	26.00	27.00	-1.00	-3.57	32.50	23.50	.15	.15	4.83	59.28	4.00	-1.28 N	-27.0	-2.0	1.5	7.8	2.00	7.4	08-26-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	5.75	5.00	5.13	-.50	-8.89	6.50	4.88	-.08	.52	4.31	-59.41	.66	-.01 N	-1.5	-10.0	2.6	8.1	.12	2.3	06-08-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	5.25	4.63	5.00	-.13	-2.44	6.50	2.88	-.35	1.70	-1.45	32.56	.62	.11 S	18.9	32.0	2.4	7.2	.00	.0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	24.00	21.50	23.75	-.25	-1.04	27.00	17.75	.00	2.53	.66	-5.03	1.60	.22 Q	15.9	24.0	7.9	14.8	.40	1.7	08-02-82	173.4	13.7	1.7	.0	8	0482
Bonanza Intl Inc	BNZA	2.13	1.63	1.63	-.38	-18.75	3.00	1.06	.67	-2.48	-1.18	-13.28	-3.33	-2.56 S	NE	-65.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	12.50	9.63	10.00	-1.50	-13.04	17.50	9.63	-.57	-3.31	6.26	-4.47	.59	.40 S	129.0	24.0	4.3	14.1	.10	1.0	06-29-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	8.50	8.25	8.25	-.50	-5.71	9.00	7.16	.20	-.04	-.89	-29.41	1.11	.11 Q	11.8	5.0	3.2	7.9	.20	2.4	07-29-82	37.0	1.2	.6	1.5	2	0282
Carrols Develop	CRL	5.75	5.00	5.00	-.50	-9.09	6.38	3.97	-.07	-1.81	2.05	22.53	.86	.72 N	163.6	35.0	2.4	4.3	.09	1.8	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	20.13	17.25	17.25	-2.63	-13.21	22.25	15.25	.07	-1.54	-2.06	-17.98	2.03	.23 S	12.4	14.0	5.0	8.3	.60	3.5	06-24-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	17.38	13.13	13.13	-4.13	-23.91	18.75	10.09	-.48	-3.06	5.03	15.38	.55	.22 F	66.6	34.0	11.1	23.9	.00	.0	06-28-82	14.9	2.1	3.1	1.1	1	0481
Ch Full O Nut	CHF	17.25	14.38	16.00	-.75	-4.48	17.50	9.00	.63	2.27	.13	-10.28	.66	-.44 N	-51.1	20.0	2.7	38.1	.40	2.5	07-01-82	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	27.38	25.13	25.75	-.88	-3.29	33.50	25.00	.10	.42	1.68	16.27	3.52	.15 S	4.6	17.0	10.8	7.6	1.00	3.9	07-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	3.00	2.88	3.00	.13	4.35	3.63	2.50	.55	1.32	8.72	38.48	-.06	1.37 F	NE	NE	-.6	NE	.00	.0	00-00-00	17.0	-.1	.0	7.2	0	1281
Collins Foods	CF	13.88	11.25	13.38	.88	7.00	14.38	7.75	.01	3.14	-3.32	-29.93	1.69	.54 F	46.9	13.0	3.2	7.9	.20	1.5	07-19-82	298.0	9.6	1.3	7.4	11	0482
Consul Corp	CNSL	7.00	5.88	5.88	-1.00	-14.55	8.38	5.25	-.13	-.25	.35	-30.10	-.08	.12 S	NC	NE	-1.5	49.0	.00	.0	00-00-00	6.8	-.1	.8	.6	1	0581
Cracker Barrel	CBRL	9.75	9.25	9.25	-.25	-2.63	11.00	7.25	.09	.00	-2.50	-15.09	1.00	1.01 S	NC	21.0	3.2	9.2	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	26.75	22.38	24.00	-2.13	-8.13	28.50	14.75	-.32	-.05	-.82	-5.50	1.97	.77 N	49.6	6.0	3.2	10.3	.64	2.7	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	17.50	15.75	15.75	-1.50	-8.70	17.50	11.13	.56	-2.83	2.38	3.99	1.82	.26 S	15.2	—19.0	8.3	8.0	.36	2.3	08-09-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	10.00	8.25	8.75	-.50	-5.41	11.63	5.78	-.67	.69	-3.26	-9.00	1.87	.50 F	36.4	13.0	3.6	4.7	.38	4.3	06-29-82	97.0	2.9	1.2	7.2	13	0581
Hambrg Hamlet	HAMB	6.50	5.50	5.50	-1.00	-15.38	8.25	5.00	-.77	-2.32	4.17	-42.50	1.35	1.08 F	400.0	-13.0	3.2	4.1	.00	.0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	1.50	1.50	1.50	.00	.00	5.25	1.38	.28	.20	7.76	-95.35	-2.22	-3.88 S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	32.38	27.63	27.75	-4.38	-13.62	42.25	27.63	-.15	-2.45	.11	10.86	4.22	-.37 S	-9.0	22.0	20.9	7.4	1.80	6.5	08-30-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	27.88	24.50	24.88	-1.88	-7.01	30.13	21.88	.01	-1.74	1.08	7.96	3.66	1.20 S	47.8	25.0	7.8	6.7	.80	3.2	06-10-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	38.50	38.50	38.50	-5.50	-12.50	44.50	33.00	.39	-2.81	-12.07	-50.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	17.75	14.38	15.38	-2.25	-12.77	19.25	7.28	-.17	-2.03	.61	23.81	1.05	.13 Q	14.6	30.0	2.7	15.1	.00	.0	01-11-82	166.1	4.5	1.7	12.6	7	1281
Hungry Tiger	HTIG	10.25	8.75	8.75	-1.50	-14.63	10.25	6.00	.68	-1.69	3.35	-34.72	.92	.18 N	20.4	41.0	3.2	8.3	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.81	1.63	1.63	-.06	-3.70	1.88	1.06	-.07	-.55	-.65	-37.50	.24	.00 F	.0	2.0	2.0	6.8	.14	8.6	02-24-82	8462.9	171.0	1.1	.7	2	1081
Intl Dairy Queen	INDQ	14.00	13.50	14.00	.50	3.70	14.00	9.25	.71	.49	1.91	35.34	1.72	.34 S	22.5	38.0	6.1	7.6	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.75	3.50	3.50	-.25	-6.67	3.75	1.75	.24	.09	-4.56	48.60	-.65	1.06 N	NE	-36.0	-3.1	18.4	.00	.0	10-03-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	7.00	5.75	5.75	-1.50	-20.69	7.63	2.88	-.23	-1.96	-.56	28.34	.63	.29 N	53.7	1.0	3.0	6.9	.16	2.8	08-09-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	18.38	16.00	16.00	-2.25	-12.33	24.50	15.63	-.60	-1.76	1.40	-8.47	1.75	.07 F	4.1	20.0	5.1	9.1	.12	.8	05-10-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	3.75	3.38	3.63	.00	.00	4.50	3.38	-.17	.00	8.36	-34.80	-.24	-.46 S	-575.0	-33.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	18.50	15.50	15.50	-3.00	-16.22	19.25	10.75	-.36	-2.20	1.53	-.80	.89	.27 Q	42.8	111.0	8.1	17.2	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Karcher Carl	CARL	13.88	12.00	12.00	-1.88	-13.51	14.88	8.88	-.11	-.96	-2.23	-16.26	1.51	1.68 Q	NC	17.0	3.4	7.1	.00	.0	00-00-00	200.6	6.9	1.9	6.4	8	0182
Lubys Cafe	LUB	27.63	25.63	26.88	-.50	-1.83	32.00	23.50	-.16	.95	2.74	-37.01	1.45	.25 N	18.1	23.0	9.1	16.5	.60	2.2	09-03-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	7.25	7.13	7.13	.00	.00	7.25	5.00	.82	-.45	.28	36.03	1.15	.04 N	3.5	7.0	5.8	6.1	.00	.0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	38.13	33.25	33.50	-3.13	-8.53	40.25	31.63	.37	-1.55	-3.05	1.37	3.20	.37 S	12.6	30.0	4.3	10.2	.30	.9	09-20-82	2000.3	86.1	.9	23.2	16	1281
[illegible]alds Cp	MCD	74.63	68.50	69.50	-3.75	-5.12	77.25	56.75	-.02	-.22	-.83	-29.45	6.54	.95 S	15.7	18.0	10.7	9.9	1.20	1.7	07-20-82	2477.2	264.8	.5	23.0	34	1281
[illegible]n Inc	MORR	12.00	11.25	11.25	-.50	-4.26	12.25	8.13	.24	-1.01	-.69	.00	1.16	.21 F	22.1	8.0	4.1	9.7	.36	3.2	07-12-82	319.8	12.4	1.3	2.7	7	0581
[illegible] Steak	MSST	2.00	1.75	1.75	-.25	-12.50	3.75	1.75	-.50	-.34	-.24	-9.34	.22	-.46 N	-287.5	-22.0	.5	NE	.00	.0	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	.81	.81	.81	.00	.00	1.88	.63	-.92	.00	1.69	-63.75	.03	.90 F	NE	NE	.6	27.1	.00	.0	00-00-00	16.7	.1	.5	.1	2	0382
Oakbrook Cons	OKCO	9.00	9.00	9.00	-.25	-2.70	11.25	9.00	.14	-.56	-19.35	.00	1.74	-.83 N	-47.9	3.0	1.3	10.0	.32	3.6	06-08-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	5.00	4.63	4.88	.13	2.63	11.38	4.63	-.88	1.18	-2.21	-48.88	1.01	-.81 N	-84.3	24.0	5.4	32.5	.20	4.1	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	13.75	13.50	13.75	.13	.92	18.13	13.50	-.43	.31	3.66	15.74	1.30	.14 N	10.7	15.0	6.1	9.5	.56	4.1	09-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	4.88	4.50	4.63	-.25	-5.13	8.88	4.50	-.25	-1.59	1.57	26.58	.50	-.02 Q	-3.5	-6.0	1.0	8.4	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	24.25	20.25	20.25	-3.75	-15.63	32.50	18.00	-.96	-1.23	-.13	-6.95	.58	.90 S	529.4	41.0	7.2	18.9	.00	.0	00-00-00	36.2	2.6	3.2	.8	8	1281
Ponderosa Sys	PON	18.38	14.38	15.25	-2.38	-13.48	19.38	11.75	-.41	-1.98	-3.16	-19.32	2.01	1.13 Q	137.8	-10.0	2.4	7.8	.40	2.6	06-11-82	353.9	8.5	1.0	20.0	17	0282
Ramada Inns	RAM	5.00	4.50	4.63	-.38	-7.50	7.38	4.25	.21	-.06	1.04	-19.49	.05	-.75 Q	-141.5	-21.0	.4	NE	.12	2.6	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	4.00	3.25	3.50	-.38	-9.68	6.00	3.25	-.13	.67	6.86	-58.91	.97	-.33 S	-32.3	46.0	2.4	5.1	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	27.75	25.00	25.00	-2.50	-9.09	29.25	16.00	-.13	-.40	-.88	-40.15	3.35	.99 F	41.9	19.0	1.9	7.5	.56	2.2	08-16-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	7.13	6.75	6.75	.00	.00	13.38	6.75	-.82	.00	-4.55	-24.63	.68	-.08 S	-11.5	51.0	4.5	11.1	.00	.0	06-02-81	49.0	2.2	1.8	2.4	5	1281
Servico Inc	SRVI	8.50	7.50	7.50	-1.25	-14.29	9.09	6.38	.33	-1.96	-1.57	-3.91	1.54	-.46 Q	-30.6	78.0	3.5	7.2	.00	.0	07-09-82	126.4	4.4	1.1	51.0	5	1281
Shoneys Inc	SHON	18.88	16.88	16.88	-1.50	-8.16	18.88	11.91	.17	-2.18	-.21	-24.94	1.03	.25 S	27.1	21.0	5.5	14.4	.16	.9	06-28-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	11.00	10.50	11.00	.50	4.76	13.00	8.50	.23	1.35	6.46	1.89	.94	-.66 S	-37.0	43.0	1.4	9.8	.20	1.8	06-25-82	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.75	2.75	2.75	.00	.00	3.13	2.38	.25	.11	2.96	-14.55	.06	-.23 S	-79.3	-34.0	.5	45.8	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	6.63	5.88	6.50	.25	4.00	6.63	4.25	.26	1.51	-2.28	32.14	-.38	-.43 Q	NE	-36.0	-1.5	NE	.00	.0	11-01-78	65.6	-.6	1.3	7.[illegible]	10	0381
Victoria Stations	VSTA	6.88	5.75	5.75	-1.00	-14.81	11.00	5.75	-.70	-1.16	.68	-17.58	.35	2.20 F	NE	-30.0	1.0	16.4	.00	.0	09-19-79	123.4	1.2	1.0	7.7	10	0382
Wendys Intl	WEN	17.38	14.38	15.38	-1.00	-6.11	18.75	12.25	-.19	.28	-.73	-8.39	1.52	.14 S	9.7	18.0	7.6	9.7	.28	1.8	05-11-82	486.6	36.9	.6	3.8	8	1281
Webb Del E	WBB	7.13	6.13	6.25	-.75	-10.71	10.75	4.88	-.02	-.05	-.18	-16.27	.56	.64 S	NE	-28.0	1.3	16.0	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281
Winners Cp	WNER	9.75	9.25	9.25	-.38	-3.90	11.50	6.38	-.20	.00	1.58	-8.89	.67	.61 S	321.0	5.0	2.1	11.6	.00	.0	00-00-00	72.7	1.5	.3	13.4	7	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year

**—Other than a quarterly multiple resulting from a fiscal year change.*

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